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BY THE HOUSE OF DELEGATES,
February 2nd, 1843.

Read and ordered to be printed.

R E P O R T

OF THE

S E L E C T C O M M I T T E E

Appointed to investigate the affairs of the

Farmers and Millers Bank of Hagerstown.

ANNAPOLIS:
GEO. & WM. JOHNSTON, PRINTERS.

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1843.

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R E P O R T .

The select committee appointed by the House of Delegates on the 13th ultimo, to examine into the condition of the Farmers and Millers Bank of Hagerstown, beg leave to report :

That in pursuance of the direction of the order of the House of Delegates, they proceeded to Hagerstown, and there summoned before them such of the late officers of the bank and other persons as they deemed necessary, who were supposed to be able to testify to *facts*, which would enable the committee to understand the present condition of the bank, and the history of its origin and management. The testimony of these witnesses is now presented to the House, so that it may be able to judge of the correctness of the conclusions to which the committee have arrived.

The act incorporating the Farmers and Millers bank of Hagerstown, was passed at December session, 1835. The capital stock authorised by the second section of the act of incorporation is three hundred thousand dollars ; and by the 10th article of the 13th section, it is provided that “until the sum of *seventy-five thousand dollars in gold and silver coin*, shall be in the *possession* of the president and directors of said bank, as part of its capital stock, and the same shall have been certified to the Treasurer of the Western Shore of Maryland, by such persons as he shall appoint to ascertain and report *sach facts*,” that is, the fact of the bank being in the *actual possession of seventy-five thousand dollars in gold and silver coin, as part of its capital stock*, “it shall not be lawful for the said president and directors to issue any note of said corporation, &c.”

In pursuance of this part of the charter, the Treasurer of the Western Shore, on the 18th day of August, 1840, appointed George R. Beall, George Kealhofter and Otho H. Williams, of Hagerstown, to ascertain and report to him “*if seventy-five thousand dollars in gold and silver coin, be in possession of the president and directors of the said bank, as part of its capital stock.*” On the 26th day of the same month, these commissioners reported to the Treasurer of the Western Shore, “that seventy-five thousand dollars, in *gold and silver coin*, have been paid to, and are in possession of the president and directors of the Farmers and Millers Bank of Hagerstown, as part of its capital stock.” On the statement of this report of the commissioners, the Treasurer

gave the necessary certificate, and the bank went into operation. An examination of the testimony will show beyond all question, that the Treasurer was deceived as to the true condition of the bank, by this unfounded report of the commissioners; but no blame is attached to the Treasurer, however, for he did but his duty; and your committee are assured that had he had knowledge of the true state of the case, that he never would have recognized the legal existence of the bank. Gen. O. H. Williams, one of the commissioners, in his testimony, before the committee acknowledges that at the time he signed the certificate, that there was not seventy-five thousand dollars in *gold* and *silver* coin in the possession of the president and directors. He says "there were placed in the hands of the commissioners, two specie certificates of deposite, amounting to about sixty thousand dollars—the balance of the seventy-five thousand dollars, necessary for the bank to hold before going into operation, was counted in specie, *in the bank*. He hesitated about the certificates as representing specie, but upon advisement and consultation with legal gentlemen we agreed to count the certificates as such, and so certified the amount to the Treasurer." "I presume," continues General Williams, "the bank did not realize the specie for the certificates; as I understand they were cancelled by Weed, who gave a draft on some institution in New York."

From this statement of Gen. Williams, it is apparent that the bank was never legally organised, as contemplated by the charter, and that he, although a public officer of the State, connected intimately with the due execution of the laws, as clerk of Washington county court, aided in the fraud, which was practised to get the bank into operation. The committee think that his, as also the conduct of his associates, G. R. Beall and G. Kealhofer, in this particular transaction, demands the severest condemnation.

To the mind of your committee they have no excuse or palliation for their participation in the fraud, and they are equally clear, that the due execution of the laws, as well as public morals require that they should not go unpunished. The honorable post which one of these commissioners holds in an office of the State, presupposes him to have been sufficiently intelligent to have faithfully performed his duty in the execution of this commission, and the security of the public demands, that an example should be made of him and his associates. If the agents of the Treasurer of the State, the object of whose appointment is, to ensure that the will of the Legislature shall be faithfully carried out, be allowed with impunity, fraudulently to impose upon the Treasurer, and as a consequence, upon the State, there will be no safety for the public treasure, or certainty of the honest execution of the laws. The committee submit the matter to the determination of the House, who will doubtless take such action as the public interest may require.

It appears that in pursuance of this report of the commissioners, the bank went into operation on the 10th day of September, 1840,

and that in the following month of October, the Millington Bank, one of the institutions which had issued one of the certificates, purporting to represent so much specie, *failed*, causing great loss and suffering to all who had trusted in its solvency or its credit.—By the testimony, it will also appear that William Weed, who was the principal agent in putting in motion the Farmers and Millers bank, was the president of the famous Millington institution, the failure of which caused the most wide spread ruin and distress, and that he forwarded to the bank in Hagerstown, locks and other articles of furniture to enable it to go into operation. It must be apparent to every one that the Farmers and Millers Bank, was in its creation the mere offspring of the Millington concern, and that it was forced into existence by the most base and fraudulent pretences—and that it has maintained an existence by the extraordinary exertions and ingenuity of J. T. Guthrie, who now stands indicted in Washington county court, for embezzlement of the funds of the bank. It is unnecessary however for the committee to say one word about Guthrie, the testimony of witnesses of undoubted and unimpeachable integrity, fully prove his utter destitution of character; yet notwithstanding his numerous derelictions of duty and want of integrity, we find him the master spirit in the bank, managing, indeed, its whole machinery. It is a deep reflection upon the honor of the State that such men as Guthrie and the Messrs. Weed, should be permitted to control the affairs of any of her incorporated institutions. It will be observed that the committee, as an act of comity to the bank, permitted Guthrie to appear before them as a witness. By his statement, it will be seen that he contradicts several witnesses. It is due to the several gentlemen whose integrity he impugns, to say that the committee make some allowance for Mr. Guthrie, and that they place in their testimony the most implicit faith and credence.

It must be manifest to every one that Weed was fully aware of the near approach of the failure of the Millington bank, and availed himself of its then existence, to have issued the certificate mentioned in General Williams' testimony, to enable him, with the assistance of others of similar morals, to put in operation, in another part of the State, another institution, which would enable them to plunder the people in its neighborhood, as they had robbed those in the vicinity of Millington. By the device of these certificates, the bank was put in operation, and as the testimony fully discloses, continued to carry on business by all kinds of tricks and mal-practices.

It appears from the testimony of Wilham V. Heard, formerly teller of the bank, that the return made to the Treasurer in January, 1842, was made upon the faith of certain specie and notes, amounting to upwards of thirteen thousand dollars, placed by A. J. Jones, of Harrisburg, Pennsylvania, in the Farmers and Millers Bank of Hagerstown, which monies (i. e. specie and notes,) *were removed the same evening after the statement was made out.*

The money was handed over to Mr. Jones, after the proper entries had been made by the order and direction of General Eyster, the cashier!!

Andrew Kershner, Esquire, late president of the bank, fully corroborates Mr. Heard's statement, in reference to the imposition practiced on the Treasurer, with regard to the amount of specie in the bank in January, 1842, and shows that as soon as the statement for the Treasurer was made out, that Eyster paid or returned to Mr. Jones the specie and paper money which had been placed in the bank a short time previously.

Mr. George Fechtig, a highly respectable gentleman, and of undoubted integrity, also establishes this fraudulent transaction.

It will be seen by the statement of Mr. Thomas N. Davis, that Guthrie informed him, in the year 1841, that "*his bank, the Farmers and Millers Bank, was doing well, but when the Millington Bank had failed, the money came in on them very rapidly, but all was now over, and the prospect was good, and he had another bank charter in view, and wanted to put her in operation as soon as possible; and solicited me (him) to join him (Guthrie.) This was a Virginia bank, chartered at Kanahway, a salt manufactory, and said his object was to keep the Farmers and Millers Bank good, and that *this*, and it only wanted some little specie, and the rest would be the Farmers and Millers Bank money, which would do to start with, and when she got rightly under way, *she could be broke*, and it was *away from home*."* &c.

This statement of Davis is sustained by a letter from Guthrie to him, dated 11th August, 1841. The same witness, as do others, testify to facts, showing that it was the purpose and design of the principal agents of the bank to perpetrate a most stupendous fraud upon all who should be credulous enough to trust them.

From an examination made by your committee into the condition of the bank on the 18th instant, there was the following amount of specie, viz :

Gold,	-	-	-	-	-	-	-	-	\$700 00
Silver,	-	-	-	-	-	-	-	-	700 00
Change box,	-	-	-	-	-	-	-	-	130 00
Copper, (by estimate)	-	-	-	-	-	-	-	-	195 50

Making in all,	-	-	-	-	-	-	-	-	\$1,725 50
Their liabilities for notes in circulation the same day was,	-	-	-	-	-	-	-	-	\$8,839 00
Their certificates of, and deposit,	-	-	-	-	-	-	-	-	5,464 54
									<hr/> \$14,303 54

All of which was by the charter payable in specie on demand, showing a deficiency of specie means by \$12,578 04
But there was also shown to your committee notes of specie paying banks, amounting to - - - \$285 00

Which, if deducted from the above, leaves unprovi-

ded for, of circulation and deposits, - - - \$12,283 04

It is true there were other assets exhibited to your committee, but they were of so doubtful and unsatisfactory a character, consisting in part of relief notes of Pennsylvania, over due notes not protested, some deeds of unpatented and undivided lands, (all in dispute) estimated by the bank at a value far beyond any price the committee could be induced to place upon them, as also some stocks of unfinished, unproductive and unsaleable rail road and mining companies in Pennsylvania. But your committee regarding it as exceedingly doubtful whether *any thing can be*, without much litigation, realised from the same, do not deem them sufficiently valuable to be regarded in estimating the ability of the bank to meet its liabilities—but for a more detailed statement of the condition of the bank, we refer you to the journal of the proceedings of the committee, which accompanies this report. It appears from the testimony of Mr. Herd, the teller, that the bank was frequently sustained by borrowing money from private individuals, and that at one time there was but *four dollars* in bankable funds in the institution, and no specie except some boxes of cents.

The committee do not deem it necessary to dwell longer on the testimony, as it will speak for itself, and show conclusively, as they believe, that the Farmers and Millers Bank of Hagerstown, is now, and always has been a fraudulent device to plunder the unwary and confiding portion of the community, and they are therefore of opinion that the charter should be forfeited.

It is clear to the committee, that the bank was never legally organized, and that it proceeded to transact business upon the deceptive statements of the commissioners, appointed by the Treasurer, to count the specie in the possession of the president and directors; and the committee, therefore, recommend that the officers of the bank be enjoined, by a writ of injunction, to be issued from the High Court of Chancery, from transacting any business until such time as the question shall be decided, whether the charter of said bank has not been forfeited. To this end, they submit the following resolutions:

All which is respectfully submitted,

J. M. BUCHANAN, *Chairman.*

J. S. OWENS,

J. H. GROVE.

The undersigned could not join the majority of the committee, in making a personal examination into the condition of the bank, in consequence of other official engagements. They have, however, examined the proceedings of the committee, and the testimony which they have submitted with their report, and they concur in the opinion that some proceedings should be instituted for the purpose of declaring the charter forfeited.

P. W. CRAIN.
WM. H. TUCK.

RESOLUTIONS

In relation to the Farmers and Millers Bank of Hagerstown.

Resolved by the General Assembly of Maryland, That the Attorney General of the State, with as little delay as possible, be, and he is hereby directed and required, to apply to the Chancellor for a writ of injunction, to be issued to the President and Directors of the Farmers and Millers Bank of Hagerstown, enjoining and commanding them to suspend all further operations, until such time as it shall be determined, whether or no, the charter of said bank has been forfeited for *misuser*.

And be it further Resolved, That the said Attorney General be, and he is hereby directed to apply to the court of Washington county, for a writ of *scieri facias*, to be directed to the president and directors of said bank, commanding them, on a day therein to be named, to be and appear before said county court, to show cause, if any they have, why the charter of said bank shall not be forfeited for *misuser*; and the said Attorney General, is hereby also directed and required to make application to the Chancellor, for the appointment of a receiver to take charge of the funds of said bank, for the benefit of its creditors, until such time as the question shall be decided, as to the forfeiture of its charter; and the said Attorney General is further directed to cause all such further proceedings to be had in the premises, as in his judgment, may be necessary to secure the proper apportionment of the funds of said bank.

Resolved, That the Governor be, and he is hereby requested to furnish a printed copy of these resolutions, and of the testimony taken by the special committee of the House of Delegates, appointed to examine into the affairs of the said bank, to the Attorney General.

APPENDIX.

WESTERN SHORE TREASURY,
Annapolis, 18th August, 1840.

In pursuance of the 10th article of the 13th section of chapter 318, of the acts of the General Assembly of Maryland, of December session 1835, entitled, "an act to incorporate the Farmers and Millers Bank of Hagerstown," George R. Beall, George Kealhofer and Otho H. Williams, Esqrs., of Hagerstown, are hereby appointed to ascertain and report to me "if seventy-five thousand dollars in gold and silver coin, be in the possessions of the president and directors of the said bank, as part of its capital stock.

GEORGE MACKUBIN,
Treasurer W. S. Md.

HAGERSTOWN, *Washington county, Md.*

We the undersigned, having been appointed by George Mackubin, Esq., Treasurer of the Western Shore of Maryland, in pursuance of the 10th article of the 13th section of chapter 318, of the acts of the General Assembly of Maryland, of December session 1835, entitled, "an act to incorporate the Farmers and Millers Bank of Hagerstown," to ascertain and report to him if *seventy-five thousand dollars* in gold and silver coin be in the possessions of the president and directors of the said bank, as part of its capital stock," do hereby certify, to the Treasurer of the Western Shore of the State of Maryland, that *seventy-five thousand dollars*, in gold and silver coin, have been paid to, and are in possession of the President and Directors of the Farmers and Millers Bank of Hagerstown, as part of its capital stock.

In testimony whereof, we have hereto set our hands, and affixed our seals, this 26th day of August, 1840.

GEORGE ROSS BEALL, [SEAL.]
GEO. KEALHOFER, [SEAL.]
O. H. WILLIAMS, [SEAL.]

Witness—JONA. HAGER.

True copy of papers on file in the W. S. Treasury.

GEORGE MACKUBIN,
Treasurer W. S. Md.

January 30th, 1843.

By the House of Delegates,

January 13th, 1843.

Ordered, That the select committee heretofore appointed by this House, to examine into the condition of the Farmers and Millers Bank of Washington county, be, and they are hereby authorised and directed to proceed to Hagerstown, and then and there make a careful and thorough investigation into the concerns of the said Farmers and Millers Bank of Washington county; and that the said committee have power to send for persons and papers, and examine all such persons as they may deem necessary and proper, on oath, and that the said committee report the result of their investigation to this House, at as early a day as practicable.

By order,

JOHN NICK. WATKINS, *Clerk.*

I hereby certify that the select committee mention in the foregoing order, consist of Messrs. Buchanon, Grove, Owens, Tuck and Crain, and that full credit and respect are to be paid to all their acts, in and about the business mentioned in the said order.

In testimony whereof, I hereto set my hand, this thirteenth day of January, eighteen hundred and forty-three.

JOHN NICK. WATKINS,

Clerk House Del. Md.

TESTIMONY.

General O. H. WILLIAMS appeared before the committee, was sworn and deposed as follows:—In connection with Messrs. Beall and Kealhofer, was one of the commissioners to report the amount of specie in the bank, to the Treasurer of the Western Shore.—There were some stockholders in the county, several out of the county; William H. Weed was a large stockholder; there were placed in the hands of the commissioners, two specie certificates of deposit, amounting to about \$60,000, the balance of the \$75,000 necessary for the bank to hold before going into operation, was counted in specie in the bank. We hesitated about the certificates as representing specie, but upon advisement, we agreed to count the certificate as such, and so certified the amount to the Treasurer. I presume the bank did not realize the specie for the certificates, as I understand they were cancelled by Weed, who gave a draft on some institution in New York, for which the bank ultimately realized a mortgage on some property in Pennsylvania; the mortgage was given by Guthrie and other persons. At the time the commissioners agreed to receive the certificates above mentioned, as specie, the banks they were on, were in good credit, and redeeming their issues, as appeared by Bicknell's Counterfeit Detector of 1840; part of the \$15,000 in specie in the vaults of the Bank, according to my impression, was furnished by

Mr. Weed; Mr. Guthrie, at the time, was cashier; Mr. Weed got various fixtures, such as locks, doors, &c., to get the bank into operation. I ceased to be a director on the first Monday of May, 1841; there were very few discounts made while I was a director; have no knowledge of Weed's receiving any discounts at the Farmers and Millers Bank of Hagerstown; the bank sustained no losses by embezzlement or defalcation, during the time I was a director, to my knowledge; I am the clerk of Washington county court; Mr. Guthrie was presented by the Grand Jury of Washington county, on the testimony of Andrew Kershner, late president, General Eyester and William V. Heard, late cashiers of the Farmers and Millers Bank of Hagerstown, at the November court of said county, in the year 1841, for embezzlement of the funds of the bank.

WILLIAM V. HEARD appeared before the committee, was sworn and deposed as follows:—I acted as clerk at the solicitation of Guthrie in March 1841; was elected as teller the May following, and continued as such till elected cashier, in May 1842; resigned on 12th October following. Whilst teller, Guthrie transferred stock without the approbation of the board of directors, to a large amount, to Andrew I. Jones or John Snively; Guthrie held a power of attorney from the Weeds and Sherwood, and under that power of attorney the transfer was made; this act was subsequently recognized by the board; regarded Guthrie as exercising a controlling influence over the business operations of the bank, in selling stock without the assent of the board, and in taking security for it; the two Weeds and Sherwood were very large stockholders, holding by far the largest part of the stock; but a few shares were held by any other individuals.

Before I left the bank the whole stock held by the Weeds and Sherwood was transferred to other persons; the greater part, if not all, was transferred by Guthrie.

The return made to the Treasurer in January, 1842, was made upon the faith of certain specie checks and notes, amounting to upwards of \$13,000, placed by A. J. Jones, of Harrisburgh, in the Farmers and Millers Bank of Hagerstown, which monies were removed the same evening after the statement was made out. The money was handed over to Mr. Jones after the proper entries had been made by the order and direction of General Eyester. The president, Mr. Kershner, was deceived in regard to the entire transaction, or else he would not have signed the statement. I acted as teller upon the resignation of Mr. Guthrie; and about the time that General Eyester was to enter upon the duties of cashier in counting up the issues of the bank.

The president observed to me that after all proper credits had been given, there was a deficiency of \$2,500. I regarded the \$2,500 always as a loss to the bank. I did not count the money myself—the directors did so. There were many transactions done by Guthrie whilst cashier, unknown to the board of directors, and which the board, on the same being known to them, disapproved

of. The board considered themselves as having been deceived in Guthrie.

Guthrie in general, transacted his business in a private room. The stock certificates held by the bank was received by the cashier of Guthrie in payment of certain stock of the bank, without the knowledge or authority of the directors. Guthrie was censured for the transaction.

The deeds for certain real estate held by the bank were taken in payment of stock of the bank by Guthrie without the knowledge or authority of the board of directors. Guthrie stated to the president that his object in doing so was to keep improper persons having controul of the bank; the bank did not discount much regular paper. The largest debtors to the bank were Jones and Guyer, to the amount of almost \$42,000, which retired Mr. Guthrie's stock note for about \$50,000; most of the business of the bank was exchange. I have reason to believe that notes of the bank were placed in the hands of Mr. Davis of Washington city for circulation. The real estate held by the bank was valued by General Eyester at one-third of its nominal amount. I was one of the individuals that presented Mr. Guthrie to the grand jury of Washington county for embezzlement. Guthrie had given several certificates of deposite in the Farmers and Millers Bank of Hagerstown to different individuals, which were presented afterwards to the bank for payment, and were refused, the bank having no available funds to meet the same; and denying the authority of Guthrie to issue the same.

Mr. Heard recalled. Question—Why did you leave the bank? Short time before I resigned, Mr. Pollard asked me if I would have any objection to resign; Pollard stated that the bank was in that condition, that he saw no prospect of its getting out without my doing so. That Mr. Clarkson would put in \$4,000 in specie, and that he would be willing to allow me my entire year's salary. There had been some checks given by Guthrie to Mr. Harley; they were then due; Mr. Abbott was sent up to collect them. Mr. Pollard said unless the checks were paid they could close the bank in forty days, and that was the reason he wished my resignation, as Clarkson would come in as cashier, and his money would aid in paying the checks. They were part of the checks which Guthrie had marked good, and which the old board had refused to pay. There was a deposite made the day I left by Mr. Pollard of \$500 of their own issue, and several hundred dollars of the Bank of Metropolis, Washington, and other money. I do not know whether Mr. Clarkson ever paid into the bank the money, as I had no communication with him.

Mr. Heard being recalled. On certain checks being exhibited to him by Mr. Pollard, the present president of the bank, he Heard testified that certain of these checks, amounting to \$4,085, and which checks had been marked good by Guthrie after his resignation as cashier of said bank, and rejected by the then board of directors, and a part of the identical checks referred to in his evi-

dence when last before the committee; also, that certain certificates of deposits, amounting to \$4,100, signed by J. T. Guthrie, were rejected whilst Jacob Eyster was cashier, because there were no funds in the bank, and the directors did not regard Mr. Guthrie as the authorised cashier. These checks and certificates were not paid whilst I remained in the bank, several of them had been placed in litigation by their holders; I at that time acted as teller. These checks and certificates of deposit constitute a part of the certificate account as handed to me by the former cashier Jacob Eyster.

Mr. Heard in continuation testifies—That these checks were given by Mr. Guthrie when absent from the bank, and that at the time they were protested, there were no funds to meet them. I kept up the bank by borrowing money from several individuals, having at one time but \$400 of bankable funds, and depended upon borrowing from several individuals, say A. Kershner, R. Logan, F. Stumbaugh and G. Kealhofer; there were at that time no specie in the bank except several boxes of cents. I acted then as teller.

ANDREW KERSHNER, Esq., former president of the Farmers and Millers Bank of Hagerstown, appeared, was sworn and deposed as follows:—That he held twenty shares of stock in the bank; did not pay for them, but was transferred to him, to make him eligible for the presidency, by J. T. Guthrie; he now pays the tax on the same; at any time he is called upon to transfer said stock, he feels bound to do so. Thinks Mr. Jones, of Harrisburg, is a stockholder to the amount of \$60,000 or more; thinks he has paid on all said stock about \$7,000 or \$8,000; the balance is secured by mortgages on real estate in Pennsylvania; Mr. J. T. Guthrie was the original owner of the stock held by Mr. Jones; cannot say whether any of said stock was paid by Mr. Guthrie in cash; the payment of the stock was made to the bank by a mortgage on certain real estate in Pennsylvania. His (Mr. K's) connexion with the bank commenced about the first Monday of May, 1841; cannot say whether all of the stock held by Mr. Jones was transferred by Mr. Guthrie, or whether part was not transferred by other persons; thinks that Mr. Jones gave a stock note in part payment of his stock; said note amounting to about \$50,000 or \$60,000; is not aware that any part of said note has been paid; Jones wished to lift said notes and transfer said stock to the bank, but the board of directors would not consent; thinks that some \$7,000 or \$8,000 was subsequently paid into the bank by Mr. Jones, but not for the purpose of being applied to said notes, but the board of directors passed a resolution, ordering the said sum to be applied to the discharge of said Jones' notes. Mr. Emanuel Guyer, of Harrisburg, is also a stockholder to the amount of \$50,000 or \$60,000; the amount spoken of as having been paid on Jones' stock was considered as applicable as well to Guyer's as Jones' stock, no other amount was paid; Mr. Guyer's stock

was secured by the same mortgage which secured Mr. Jones'; is not aware that any change in the transactions of Jones and Guyer with the bank has taken place since his disconnection with the bank, which took place about the 27th day of May last, at which time other officers were elected; is not aware that any preference was ever given to any individual in discounting paper.

Mr. K. thinks the bank was solvent when he left it, and thinks it might have sustained itself by judicious management; thinks that not more than \$5,000 was subscribed by citizens of Washington county, most of the stock subscribed by them was paid. Weed, who he thinks was connected with the Millington Bank, was an original subscriber of stock in the Farmers and Millers Bank to a considerable amount, but cannot name the precise amount; is not aware that any thing was ever paid by Weed or any other person on said stock, the same he thinks was subsequently transferred to Mr. J. T. Guthrie; nor is he aware that Mr. Guthrie ever paid any thing on *this stock*; there was paid to the bank by Mr. Guthrie about \$2,000, which was placed to his credit upon his stock generally; he (Mr. G.) being a stockholder at that time to a considerable amount; is not sure that Weed, who was a stockholder in this bank, is the same man who was concerned in the Millington Bank. Mr. K. states distinctly, that he is not aware that there ever existed between the Farmers and Millers Bank of Hagerstown and the Millington Bank, any official connection whatever; during the time of his presidency, the bank held as collateral security for the payment of stock, certificates of stock of several internal improvement companies in Pennsylvania. Mr. K. cannot say what the stocks were worth; thinks that the certificates were upon the Williams Valley Rail Road and Mining Company, and the Union Rail Road and Mining Company; cannot say by whom the stocks were pledged; they were represented to him as being valuable; the bank holds no real estate except in Pennsylvania, knows nothing of himself of its value, but has been informed by one of the directors, who said he had made some inquiry on the subject, that the property was considered valuable; this property is held under deeds or mortgages by the bank for the payment of stock held by Mr. Jones, of Harrisburg. One of the directors proceeded to Pennsylvania to examine the real estate and to have the mortgages recorded by the bank, which was done; made very few discounts during his administration of the bank; notes, however, were renewed; made but few collections; some few curtailments were paid on bills discounted; the stockholders were the principal debtors to the bank.

About the time of making out the annual statement to be forwarded to the Treasurer of the State, in December, 1841, Messrs. Jones and Guyer, of Harrisburg, paid into the bank about six or seven thousand dollars in specie, probably more; this sum was counted in as a part of the specie then belonging to the bank, but it was withdrawn from the institution by checks from the same persons on the next day after the return was made out for

the Treasurer. At the time this money was *paid, counted* and drawn out, J. T. Guthrie had no official connection with the bank. This sum in specie was placed, at the time of its payment, to the credit of the stock of Messrs. Jones and Guyer.

The checks of Messrs. Jones and Guyer for the same amount that had been placed to their credit on their stock, was duly loaned and paid by the cashier, although the said Jones and Guyer had no money in the bank on deposit. He thinks that the whole amount of specie in the bank at that time, including the same paid in by Jones and Gueyer, was about nine thousand dollars. When Messrs. Jones and Guyer paid in the specie, they also paid a considerable amount of foreign bank notes, amounting perhaps to as much as the specie; this foreign paper was also checked for them and paid out by the cashier at the same time the specie was paid out.

Andrew Kershner being again called, says:—That his official connection with the bank ceased about the last of May last; in August or September, 1841, some certificates of deposit were marked *good* by Mr. Guthrie, the then cashier of the Farmers and Millers Bank of Hagerstown, amounting to about seven thousand dollars, and the persons to whom these certificates had been so marked, were credited upon the books of the bank by the said Guthrie, as cashier, notwithstanding he had previously resigned. The bank looked upon the transaction as *fraudulent*, and would not consent to pay said certificates; subsequently the grand jury of Washington county presented said Guthrie for embezzling the funds of the bank; this presentment took place at November term, 1841; at March term, 1842, the grand jury found a true bill against Mr. Guthrie for said embezzlement. Mr. Guthrie was at this time a director in the bank; after this fraudulent transaction, Mr. Guthrie was expelled from the board sometime between the months of September and November, 1841; sometime in the spring of 1842 that resolution was *rescinded*, and Mr. Guthrie was again permitted to take his seat at the board; some time previous to the election of directors in May, 1842, Mr. Guthrie and his friends secured a number of shares of stock, by which means they were enabled to turn out the old board, and re-elected Mr. Guthrie and such other gentlemen as were acceptable to him. After Mr. Guthrie's resignation he left Hagerstown on a visit to the East; after remaining there a few weeks, he returned and entered the bank and made the entries in the books above alluded to. As soon as he (Mr. Kershner) received information of the entry in the books, the board of directors were called together, and protested against the validity of Mr. Guthrie's act in this particular. It was distinctly understood at the time Mr. Guthrie left Hagerstown for the East, that he would return in a few days, but his stay was extended to some weeks.

GEORGE FECHTIG appeared before the committee, was sworn and deposed as follows:—He was a director in the Farmers and Millers Bank of Hagerstown in the years 1841 and part of 1842;

Mr. Fechtig was one of the original stockholders in the institution to the amount of \$100; paid his stock in full, part he thinks he paid to Messrs. Beall and Kealhofer in Millington money; he (Mr. F.) was a member of the committee from the directors to count the means of the bank sometime after the explosion of the Millington Bank, at which time he thinks the bank had from nine thousand dollars to eleven thousand dollars in specie; has no recollection of the other means of the bank; discounted but very little paper; thinks the circulation at that time was about \$18,000; does not know the precise manner in which the stock was paid in, but understood that when the bank went into operation, she had the required amount of specie; he understood, as a director of the bank, that an individual by the name of Weed, whom he farther understood was connected with the Millington Bank, and was a large stockholder in the Farmers and Millers Bank, that said Weed paid for his stock in this institution by a certificate of deposit of about sixty-two thousand dollars in one of the New York banks; that certificate he understood to constitute a part and parcel of the actual capital of the said Farmers and Millers Bank of Hagerstown; he (Mr. F.) is very certain the bank never obtained the amount of said certificate in any manner whatsoever, but the said certificate was subsequently delivered, without the knowledge of the board of directors, by the then president and cashier of the bank to Mr. Weed, for his, Weed's check on some other bank; his impressions are that Weed's check was never paid, and has no knowledge what has ever become of the check. Mr. F. never saw either the specie, certificate or Weed's check; the matter was spoken of frequently in conversation at the board of directors; the directors always regarded the transaction as a *fraud* committed on the bank here by Mr. Weed; the directors held the officers of the Farmers and Millers Bank excusable for having given to Weed the specie certificate for his individual check, although the exchange was made by them without the knowledge and consent of the said board of directors. A very small proportion of the stock was held by citizens of Washington county; the stock was mostly held by the Messrs. Weed; he thinks that Mr. Guthrie, the then cashier, held a power of attorney from the Weeds; and he thinks that probably Mr. Guthrie sold Weed's stock to Messrs. Jones and Guyer, of Harrisburg; Weed was not a stockholder when Mr. Fechtig came to be a director; that he recollects, he thinks, that Jones and Guyer paid about \$13,000 on their stock, \$5,000 or \$6,000 in silver and gold, the balance in current funds. Mr. Fechtig was very much astonished to learn a few days after, that a portion of these same funds that had been paid in the bank on their stock, had been drawn out of the bank by the same gentleman; the bank holds some certificates of stock of some rail road and mining companies in Pennsylvania, and also deeds or mortgages on lands in Pennsylvania for the stock held by Messrs. Jones and Guyer in the Farmers and Millers Bank of Hagerstown; the bank holds

the stock notes of the same gentlemen, and it is probable that some of the certificates above alluded to, and deeds and mortgages are held as collateral security for the payment of the stock notes of these gentlemen. He (Mr. Fechtig) has no knowledge of the worth of the stock of the rail road and mining companies, nor does he know the value of the lands under deed or mortgage.

Mr. Fechtig recalled:—Was a director part of years of 1841, 1842; the bank sustained some losses by certain checks marked “good” by Guthrie; the amount was about \$11,000; the checks were marked “good” without any authority given to Guthrie; the persons in whose favor these checks were drawn, had no account in bank to his knowledge; the board would not recognise the act of Guthrie; the board of directors in consequence of these facts, expelled Mr. Guthrie as a director; the resolution some months after was rescinded, not from any belief in the innocency of Guthrie, but from a doubt of the authority of the board to pass such resolution of expulsion.

JOHN A. RENCH, appeared before the committee, was sworn, and deposed as follows:—He was a director in the Farmers and Millers Bank of Hagerstown, in the year 1840—he was one of the first board of directors; he continued to act as such until the second regular annual election of directors, at which time he declined a re-election. At the time the bank went into operation, there was in the vault of said bank several boxes of specie. He assisted in opening eight or ten boxes of silver himself. There was, also, in the bank a certificate of deposit of specie, in one of the New York banks in favor of a certain individual by the name of *Weed*, amounting to about sixty thousand dollars. Weed was a stockholder in the Farmers and Millers Bank to a considerable amount. This certificate for sixty thousand dollars, was to be applied in discharge of Weed’s stock; does not know but a part of this certificate was to be applied to the payment of other persons stock not charged on the books of the bank as Weed’s. He is sure that the certificate was at that time considered the bona fide property of the bank, constituting a part of its actual capital paid in.

The Farmers and Millers Bank of Hagerstown never to the knowledge of Mr. Rench, received payment for that certificate whilst he was director.

Mt. Rench although a director, was never a bona fide stockholder; J. T. Guthrie transfered to him, (Mr. R.) ten shares of stock for the purpose of qualifying him to act as director. He was solicited to become a director by George Kealhofer. After his, (Mr. R’s.) resignation he re-conveyed the stock to Mr. Guthrie.

DAVID BAN, appeared before the committee, was sworn, and deposed as follows:—Ten shares of stock stand in my name on the books of the Farmers and Millers Bank of Hagerstown; they were transferred to me by John L. Smith; I gave my note for the

amount—have not been called on for payment—did not expect to be called on for payment when I give my note. The note has been returned to me; I consented to become a director by lending myself to retrieve Mr. Guthrie, whom I considered an injured man; this took place about May last; resigned as director in September last. When I was elected I considered the bank under the control of the directors, until I found it otherwise. Objected to the continuance of the resolution of the board, by which discounts were made by the president, cashier and two directors, because on examination I found that most of the discounts were made for the benefit of the president and directors. Guthrie objected to the rescinding of the resolution, and I resigned. The discounts made were for paying for stock purchases. I regarded Guthrie as exercising rather too much control over the bank, and as being very ingenious in getting the resolution above referred to passed.

CHARLES M. PERRY, appeared before the committee, was sworn, and deposed as follows:—That on or about the time the Millington Bank failed, he received from Mr. George Ross Beall, President of the Farmers and Millers Bank of Hagerstown, three fifty dollar notes, and one hundred dollar note on the Bank of Millington. Mr. P. deposes that he was greatly importuned by Mr. Beall, to exchange with him Valley Bank paper for this Millington money, and pledged himself to Mr. Perry to redeem or give him other money if he could not get shut of the Millington money. Mr. P. called frequently on Mr. Beall to comply with his promise and to exchange this money, but he refused to do so, alleging he (Mr. P.) had kept the money too long, and he would not now exchange it, as he had give it out as the agent of the Farmers and Millers Bank of Hagerstown. Mr. P. does not know of any other person having received Millington money from the Farmers and Millers Bank of Hagerstown. At the time Mr. Pollard the present president, exchanged the Millington money for Mr. Perry: he Mr. Pollard informed Mr. Perry that the board of directors were unanimous in their opinion, that he Mr. Perry, should be indemnified.

He Mr. P. has never had any other transactions whatever with the Farmers and Millers Bank of Hagerstown.

Mr. Perry has never heard any thing concerning the Farmers and Millers Bank of Hagerstown, to satisfy him of the insolvency of the institution.

THOMAS N. DAVIS' STATEMENT.

To the honorable committee assembled at Hagerstown, to examine the Farmers and Millers Bank:

GENTLEMEN,—I became acquainted with J. T. Guthrie, the former cashier of this bank during the year 1840, and was introduced to him by William Weed, the great financier of the Millington Bank. This interview took place in Washington City, where Weed and Guthrie made application to me for funds to commence the Farmers and Millers Bank at Hagerstown. The application was made to me and William H. Williams, and was refused—at the same time Weed and Guthrie said they were determined to start her, that is, the Farmers and Millers Bank—Guthrie holding out to me what could be done if they could only make a commencement, and what means it would afford those who were concerned in that bank, and that bank, and the Millington concern, could do what they pleased. I had already exchanged with Weed some thousands of dollars, and so had Mr. Williams, and we refused to have any thing to do with it, the Farmers and Millers Bank. Sometime after this, I was in Baltimore, and saw Weed and Guthrie; Weed had just returned from New York and had ten thousand dollars in specie, and kept it in his room at the hotel, and I think the next day they started up to Hagerstown with the funds, and said they were all ready, and that the bank would go immediately into operation; so their ended my acquaintance with Guthrie for some time, and when I met Weed it was at New Orleans, and asked him how he came to act so badly; he excused himself by saying he was deceived, and I asked him how I was to get my money back, that is the money which I had previously exchanged with him for the Millington concern, and he said he and Guthrie had the Farmers and Millers Bank at Hagerstown, and as it was the funds he got of Williams and myself, and had taken it to start this bank, the Farmers and Millers Bank with, we must look there for our money, as this was his only hope. So when I returned in the spring of 1841, I came up to see Mr. Guthrie, when I met him he appeared glad to see me, and I thought it was all owing to his fear of my exposing him, and he said his bank, the Farmers and Millers Bank, was doing well now—but when the Millington Bank had failed, the money come in on them very rapidly, but all was now over, and the prospects was good, and he had another bank charter in view, and wanted to put her in operation as soon as possible, and solicited me to join *him*—this was a Virginia bank chartered at Kanahway, a salt manufactory—and said his object was to keep the Farmers and Millers Bank good, and start *this*, and it only wanted some little specie and the rest would be

the Farmers and Millers Bank money, which would do to start with, and when she got rightly under way, she could be broke, and it was away from home. For the truth of this statement, see Mr. Guthrie's letter of August 11th, 1841. This all failed, as I supposed the means could not be raised, and he turned to another object; he thought he had better go out of the bank, as he said it appeared the people would not get over the impression of the connection of the Millington Bank; and he thought he had better retire as cashier for one year, still he would be a director. (See his letter Sept. 6, 1841.) In this letter he speaks of \$1,000 handed to me which was in Farmers and Millers Bank notes; this money was given as was also a draft on the Lancaster County Bank of Pa., for one thousand dollars more; this thousand dollar draft was drawn by Guthrie, on the Lancaster County Bank, and accepted by the person who was to become the cashier, although the bank had not at that event gone into existence, but it was understood that it would go into operation in a few days. I thought all this was done to induce me to embrace all of his plans; so in some ten days after he sent a Mr. Murray to Washington for some means or funds, saying he wanted a thousand dollars; so I raised it on this draft, that is, the Lancaster County Bank draft, and it was paid, contrary to my expectation. In consideration of the thousand dollars of Farmers and Millers Bank notes which Guthrie had given to me in Hagerstown, I accepted his Guthrie's draft, drawn on me for that amount, and made payable at some short date; this draft was passed off to Judge Blythe of Pennsylvania, for the use of Guthrie; Guthrie then, after passing the draft to the Judge, wrote to me not to pay it, but to suffer it to come back to him; in obedience to his request the draft was protested and sent back, since then I have been sued upon the draft. I found from his letters that my money was all his aim, and of course he got no more out of me, (see Guthrie's letter, October 9, 1841.) This will show, as well as all the rest, up to the 22nd October, 1841, at which time I left for New Orleans, and of course heard nothing from him until I returned in the spring of 1842; when I got back I was introduced by Guthrie to J. S. Pollard, the present president of the Farmers and Millers Bank. In Washington city Mr. Pollard opened himself to me quite freely, and so did Guthrie, giving themselves great credit for their management in getting the old party out, that is the old board of directors; and they said they now only wanted a little funds, and asked me if I would give them some Virginia and other funds—promised me that they would give me in return their own money; to oblige them I gave them some thousand or eleven hundred dollars, part in Virginia and part in gold. I came on up to Hagerstown, with Pollard and Guthrie, and went into the bank, Farmers and Millers Bank, with them, (Pollard and Guthrie,) and was there introduced by them to Mr. Heard, the cashier, and was paid the Farmers and Millers Bank money, for which I had given to Pollard and Guthrie in Washington. I remained at Pollard's hotel some days, and I and Pollard had fre-

quent conversation, and he said, if nothing else could be done, a circulation of some forty or fifty thousand dollars could be got out, and then they could slide it into the hands of the Pennsylvania party and make some ten thousand dollars a piece. I wont be sure, that I here, at this time, became acquainted with Mr. Smith, but I think it was, and I think Guthrie introduced me to the gentleman mentioned, in letter July 19th, 1842. Mr. Guthrie proposed to me to join him and Smith in a flour store in Georgetown, each one to put in one thousand dollars, and I consented so to do; Mr. Smith was to purchase the flour up on the canal, and send it to Guthrie in Georgetown; the flour was to be paid for in Farmers and Millers Bank money, and it was to be sold for other funds and sent to the bank; but they could not raise the funds, and that failed, and he began to think he could not get Smith's money, and he thought he had no further use for him, and said he must be bought out, as per letter July 19th, 1842.—He speaks of drawing on me for \$110; I think this \$110 was given to me in the bank, over and above what I had given in Washington; then speaking of their small notes, I think they gave me some three or four hundred dollars, and they finding they staid out better than they thought they would; I would of exchanged some more for them, but they had got all they could do with me, so I heard nothing for some time; so at length, Pollard arrives at Washington with horses, and in a few days Guthrie comes on, and they wanted money; they said that they were strapped hard. I told them I had no money, and Guthrie said he had a bill or draft drawn by Mr. Beatty, or on Mr. Beatty, which had some few days to run, and wanted to get the money for it; I told him I thought Thomas Williams would cash it; he said he wished I would take it and see; I asked him what was the amount, he said five hundred dollars; so I took the bill or draft and went to Williams, and he said Guthrie, had just been to see him, and he, Guthrie, had said he had just gotten such a bill cashed in the Georgetown bank, and it was stange he should have now sent it to him to cash, and he looked at it and read it, and handed it back to me, and I looked at it and found it was for five hundred dollars, and I returned it to Guthrie and he was quite out of temper, because he could not get the money; and if Mr. Smith was examined, I have understood some strange things would appear about the bill or draft; so I believe that neither Guthrie not the president could raise five hundred dollars at that time. But here I must remark, they spoke of Mr. Heard; that he must go out of the bank, he did not suit them, they wanted a man that *they could use*, and Mr. Heard was not the man, and they would have him out; so I presume they have done as they wished; they have, at least, another man. Finding things not going on as I thought right, and their money of no use to me, could not be used, and I had really abandoned it as all lost; I wrote to Guthrie to make arrangements to pay the acceptance I was sued on, and pay me my expenses, and I wanted nothing more to do with them; that I

did not like to pay his private debts, but I got no answer from him, and he took the studs from that time; and I wrote to the president, after seeing him sick in Washington, where I thought I paid as much attention as I could have done if he had been Nick Biddle, and spoke to him in a mild way. I thought hard I should pay Guthrie's private debt, and hoped they would arrange it and my expenses, and I would do nothing more; but I could not get an answer from him, but his good friend Guthrie answered it, which I did not notice.

While Pollard was in the city of Washington, he offered me, if I could procure him any amount of specie, say from one to five thousand dollars, he would pay ten per cent. for thirty days, and would besides give me one hundred dollars for my trouble, as all his hopes had failed with Col. Saffron, from whom he expected to get five thousand dollars in specie, and who was to take the notes of the Farmers and Millers Bank west to circulate; and he wanted this specie to report on, to the Legislature of Maryland; this was in December, between the 25th and the first of January, 1843.

I, Thomas N. Davis, of the city of Washington, in the District of Columbia, do make oath on the Holy Evangely of Almighty God, that the foregoing statement is correct and true, to the best of my knowledge and belief, so help me God.

Sworn and subscribed before me,

C. F. GELWICKS, J. P.

A justice of the peace in and for Washington county, Md.

JOHN SCNIVELEY'S STATEMENT.

To the honorable committee assembled at Hagerstown, to examine the affairs of the Farmers and Millers Bank:

GENTLEMEN,—I purchased of J. T. Guthrie, cashier of the Farmers and Millers Bank of Hagerstown, eighty-four thousand some hundred dollars of the stock of said bank, owned by Hickcox & Co., said Guthrie being one of the firm, said stock appearing upon the books of the bank to be full paid; the bank at that time had claims to a large amount against Hickcox & Co. and Guthrie. Mr. Guthrie received from me in payment of the said stock, real estate and stocks of different corporations in Pennsylvania, which said real estate and stocks were by me transferred to the bank by special deed, (without any warrantee.) The said stock was by my request transferred—\$20,000 to David Krouse, Esquire, \$20,000 to Samuel H. Clark, Esquire, \$20,000 to James S. Espy, Esquire, \$24,000 in my name, and a few other shares in the name of the president and some of the directors of the Farmers and Millers Bank. I paid to J. T. Guthrie, cashier, \$4,000, two or three hundred dollars in fulfilment of an agreement entered in at the time of sale, upon the receipt of which he was to resign his cashiership and leave the bank, which he refused to do, after having received the money. Guthrie called upon me and stated that the bank needed money. I then gave him \$1,000, for which I did receive a credit in the bank. I at different times checked out about five or six hundred dollars before the 1st of Sept. 1841. I then called at the bank to settle my account; I was informed by Mr. Heard, the teller, that my bank account was closed by J. T. Guthrie. Upon examination, I discovered that a note for upwards of \$300, drawn in favor of Hickcox & Co. in Harrisburg, not due for thirty or forty days, and not payable in the bank, was charged in my account, and also a private account between Hickcox & Co. and myself, were charged against me to balance my account. When I returned to Harrisburg, I called upon Mr. Hickcox and told him that the bank held the note above referred to and due bills. Hickcox then stated to me that Guthrie was not the acting partner, and had no right to the note, nor did he know how he obtained possession of it, but that the note was paid, I having taken up a note for \$300, in the hands of Benjamin Park, and other moneys then due me, much more than the amount of their note and due bill. I visited Hagerstown about the last of September, 1841. Mr. Guthrie called upon me at my room before breakfast, the morning after I arrived, and stated to me that there was in the Hagerstown Bank

for collection, a check drawn by C. C. Murray, and marked good by him as cashier, and stated to me that if I did not advance the money to the bank to take up the check held by the Hagerstown Bank, it would be protested, and the bank would go down. I objected to make any further advance to the bank, stating that she now owed me a deposit which she refused to pay. He (Guthrie) then stated that the bank was at this time unable to pay, but that if I would advance to the bank four hundred and forty-five dollars in par funds, to enable the bank to take up the check above referred to, the bank would pay the balance of my deposit and give me a certificate of deposit, payable at short dates, for the money at this time advanced. The bank at that time held a deed from me for real estate lying in Pennsylvania, valued at \$8,000, for which I never received any consideration, which Guthrie, the acting cashier, promised to have returned before he left the bank. Upon those promises, I was induced to make a further advance of four hundred and forty-five dollars, in par Philadelphia funds, and took from the bank their certificates of deposit for the amount, which were so much under par, that they could not be sold.

On the evening of the 1st of October, 1841, I drew a check for \$150 in favor of Chew Schnebly, Esquire. Chew Schnebly and myself then called upon Guthrie with the check, and he promised it should be paid on the next morning. Chew Schnebly, as I was informed by letter from him, called at the bank the next morning and presented the check, which the bank refused to pay. The bank still withheld the balance of my deposit, and also the deed for the real estate, and has refused to hand over the same to myself or my order. On or about the 1st of July, 1841, I was informed by J. T. Guthrie, the cashier of the Farmers and Millers Bank, that the Washington County Bank had a claim against the bank for about \$3,200, for which she had given a draft on the Philadelphia Bank, which was to be met on the 15th instant. Guthrie stated to me that the bank had no funds to meet it, and that he did not know how to raise the money to take it up. I then went to Philadelphia for the purpose of raising the money, money at that time being very difficult to obtain. I then called upon William V. Pettit, (prothonotary of the city and county of Philadelphia,) and stated to him that I must raise \$3,000, in par funds. He inquired of me for what purpose. I stated to him that I wanted the money to loan to the Farmers and Millers Bank, to assist in paying a draft held by the Washington County Bank. Mr. Pettit at first refused to let me have the money, stating that I would in all probability lose all the money I had advanced to the concern. I then stated to him that I held a large amount of stock in the bank, and was forced to keep her up. He then agreed to let me have \$3,000; he gave me a check on the Philadelphia Bank for \$1,000, payable on the 15th of July, 1841; \$1,000 in cash; \$1,000 in Tide Water Canal money. I handed to Mr. Guthrie, the cashier, Mr. Pettitt's check for \$1,000; also,

\$1,000 Tide Water money, nearly par at that time. Guthrie said that was not sufficient. I then borrowed from Calvin Blythe, Esquire, his note for \$600, and also a draft for \$600 drawn by Calvin Blythe, Esquire, on me in favor of O. F. Johnson, Esq., and endorsed by him, which said note and draft I loaned to J. T. Guthrie, for the benefit of the bank, to raise money to pay her indebtedness to the Washington County Bank. Guthrie pledged with Mr. Abbott, of Philadelphia, the note, draft and Tide Water money, which he promised to return to me in a short time; which said note, draft and Tide Water money has since that time been repeatedly demanded at the bank by me and my attorney, and was refused up to the 1st of November, 1842, it being at the time of no value, the note and draft is still in the possession of the bank, and not handed over.

I have never borrowed or applied to the bank for any discount since my connexion with her. I purchased a check from Elder & Co. for \$500, drawn by C. C. Murray on the Farmers and Millers Bank of Hagerstown, in favor of S. B. Hickcox & Co. marked good by J. T. Guthrie, cashier, which was repeatedly presented to the bank and payment refused, said check was made payable the 20th of September, 1841, and was not settled until November, 1842, then settled by \$100 cash, a draft on the Farmers and Millers Bank for \$192.50, drawn by J. T. Guthrie in favor of J. S. Pollard, president of the bank, and accepted by Mr. Clarkson, Esq. as cashier, payable on the 1st of February, 1843; and also a draft drawn in the same manner for \$242 $\frac{5}{8}$ %, payable on the 1st of March, 1843. I also held a certificate of deposit for \$500, purchased from P. C. Sedgewich, signed by J. T. Guthrie, cashier, and dated September, 1841, which when presented for payment at the bank was refused and protested. Suit was then brought against the said bank by Alexander Neill, Esq. for the recovery of the money—nothing further was done until the first of November, 1842, when I determined to take a different course, and informed the bank through my counsel that a scieri facias would be issued against the bank if she would not settle both the above claims; the one was then settled as I have above stated, and the other they proposed to settle by paying part in cash, and give a judgment payable on the 5th of Jan., 1843, for the balance. There is at this time a certificate of deposit in my favor for \$500, payable in the Citizens' Bank of Baltimore, dated September 11th, 1841, signed J. T. Guthrie, cashier of the Farmers and Millers Bank of Hagerstown, which was protested at the Citizens Bank of Baltimore for the want of funds (so says the Notary Public) which still remains unpaid. Also a certificate of deposit signed J. T. Guthrie, cashier, for \$500, payable to my order, which has been protested and is still unpaid. October, 1841, I purchased from J. T. Guthrie \$1,000 of Williams Valley Rail Road and Mining Company stock, for which he gave an order on the Farmers and Millers Bank. The bank then agreed to transfer the stock, but have since

refused and now hold the same. The said stock was by me transferred to Chew Schnebly, Esq. and has not by him been received from the bank; I also held a bill of sale from C. C. Murray, Esq. for 1200 shares of the capital stock of the Farmers and Millers Bank of Hagerstown, which the bank now refuses to transfer; I also purchased from J. T. Guthrie, cashier, and agent of A. Reed & Co. about the first of September, 1841, 1,127 shares of the capital stock of the Farmers and Millers Bank of Hagerstown, for which I fully paid and satisfied J. T. Guthrie, which said stock was by J. T. Guthrie at my request transferred upon the books of the bank to Calvin Blythe, Esq. of Philadelphia, and at the same time J. T. Guthrie as cashier of said bank gave to Calvin Blythe, Esq. a certificate stating that there is standing in his name upon the books of said bank, 1127 shares of said stock full paid. The bank directors now refuse to issue certificates for the said stock; the old board of directors refused to sanction the transfer or to issue certificates until the presentment against J. T. Guthrie was decided. I accepted for J. T. Guthrie and C. C. Murray, an acceptance for \$1000 in the city of Philadelphia; I held acceptances at that time against C. C. Murray, J. T. Guthrie and Hickcox & Co. accepted for each other for twenty-two or three hundred dollars, which were protested. Murray had notice not to part with my acceptance, as he and the company then owed me a large sum of money which is yet unpaid. Murray did not part with the acceptance until after he obtained the benefit of the insolvent laws of Pennsylvania; he then transferred the said acceptance to the Farmers and Millers Bank, I am informed, without recourse, the bank having had full notice not to receive the same.

I sold to A. J. Jones, of Harrisburg, in the month of August, 1841, the stock that I had purchased from Hickcox & Co. he having had a full statement of the situation of the bank from J. T. Guthrie, cashier. I have had no further transaction with the bank since the sale of my stock, except those referred to in my report. The interest in the claims that I now hold against the bank I purchased within the last two months, and the claims which I have referred to in my report, and which were settled by the bank, part of which were originally mine, were re-purchased by me, some short time previous to their settlement.

At your request I have stated the reasons I had for selling my stock, and withdrawing from the bank, in August 1841, one cause was that J. T. Guthrie the cashier, did not resign his cashiership according to agreement; another cause was, I understood that Guthrie the cashier, had not given bond to the bank, and that Guthrie appeared to me to manage and control the whole bank, without any direction or restriction from the board of directors. One other reason was that I considered him a remarkable shrewd man, and that he was largely engaged in business in Pennsylvania, which I considered unprofitable; I found also that to sustain the bank I would be called upon to make further advances, which I felt myself unable to do, being at that time engaged in other ope-

rations at various places. Also, one inducement to sell to Mr. Jones was, that I believed that he, together with his friends, could raise money sufficient to sustain the bank.

Respectfully yours,

JOHN SNIVELY.

Washington county, to wit:

On this 28th day of January, 1843, before me the subscriber, a justice of the peace of the State of Maryland, in and for said county, personally appeared John Snively, and solemnly affirmed, as he should answer to the Judge of quick and dead, that the matter set forth in the within instrument of writing is correct to the best of his knowledge. Affirmed before

C. SHEPPARD, J. P.

MAJOR SNIVELY'S SECOND STATEMENT.

To the honorable committee assembled at Hagerstown, to examine the affairs of the Farmers and Millers Bank.

GENTLEMEN,—I purchased of J. T. Guthrie, in the spring of 1841; eighty-four thousand some hundred dollars of the stock of the Farmers and Millers Bank of Hagerstown, owned by S. B. Hiccoox & Co., and others, said Guthrie being one of the firm of S. B. Hiccoox & Co.; the stock appearing upon the books of the bank, to be fully paid; at my request the stocks were transferred, \$20,000 to David Krouse, Esq., \$20,000 to Samuel H. Clark, Esq., \$24,000 to myself, and a few other shares to the president and some of the directors of the Farmers and Millers Bank. I paid J. T. Guthrie, cashier of said bank, \$4,200, in fulfilment of an agreement entered into at the time I purchased said stock, upon the receipt of which he was to resign his cashiership, and leave the bank, which he refused to do, after having received the money. Mr. Guthrie called upon me and stated that the bank stood in need of some money; I then deposited \$1,000 of par Philadelphia funds; I checked on the bank for five or six hundred dollars; I then called at the bank to settle my account, and Mr. Heard, the teller, stated to me that Guthrie had closed my account. Upon examination it was discovered to be closed with spurious charges made by Guthrie; I drew different checks which were dishonored. The old board of directors refused to adjust the matter until a full examination into all J. T. Guthrie's transactions. The president and cashier of the new board have examined my bank account, and have agreed to pay the checks drawn at the time.

J. T. Guthrie, the cashier of the old board of directors, called upon me and stated that he, as cashier of the Farmers and Millers Bank, had drawn a draft in favor of the Washington County Bank for \$3,200, payable in the Philadelphia bank in specie, and that he did not know where to raise the money, unless I furnished it. I went to Philadelphia and procured \$2,000, which I handed to J. T. Guthrie, the cashier, to assist in taking up the draft; I at the same time loaned to him, a note for \$600, and my acceptance for \$600, to raise the balance of the money. The old board refused to pay this money loaned to the bank; the present board have paid the most of the money advanced by me, and have agreed to settle the balance. Mr. Guthrie, the cashier of the old board, applied to me again for money to assist the bank; I refused to let him have it; stating to him that the bank was now indebted to me and had refused my checks; he then told me that if I would let the bank have \$445, he would settle my account in the bank and hand me over a deed for real estate in Pennsylvania, valued at \$8,000, which the bank held without any consideration; upon these terms I gave him the money, and took certificates of deposit from the bank for the \$445, which have since been paid. I purchased a check for \$500, on the Farmers and Millers Bank, marked *good* by J. T. Guthrie, as cashier, which was refused by the old board of directors, and since paid by the present board; also, a certificate for \$500, which was refused by the old board, and since paid by the present board. I have never borrowed or applied to the bank for any discount since my connection with her.

At your request, I here state my reasons I had for selling my stock and withdrawing from the bank in August 1841. One cause was, that J. T. Guthrie, the cashier, did not resign his cashiership according to agreement; another cause was, I understood that Guthrie, the cashier, had not given a bond to the bank, and that Guthrie appeared to me to manage and control the whole bank, without any direction or restriction from the board of directors. One other reason was, that I considered him a remarkable shrewd man, and that he was largely engaged in business in Pennsylvania, which I considered very unprofitable. I found also, that to sustain the bank, I would be called upon to make further advances, which I felt myself unable to do, being at that time engaged in other operations at various places. Also, one other inducement to sell to Mr. Jones was, that I believed that he, together with his friends, could raise money sufficient to sustain the bank.

The \$1,000 acceptance given to C. C. Murray, was transferred to the Farmers and Millers Bank after he had procured the benefit of the State law, as an insolvent debtor, and before he applied for said law and accepted. The cashier and teller of the bank had full notice, that if Mr. Guthrie or C. C. Murray presented the acceptance, that it was fully paid, and notwithstanding, the bank received it.

The certificates spoken of in the presence of the committee, one for \$500, payable to my order, and dated July, 1841; and also, one for \$500, payable in the Citizens' Bank of Baltimore, and in my favor; the board have agreed to arrange and settle them.—The president and cashier stated, that they had never been laid before them in a proper light, owing to the old board of directors refusing to pay them. The stocks they had refused to transfer; at the setting of the board they have agreed to arrange them, so says the cashier and President.

Respectfully, yours,
JOHN SNIVELY.

Washington county, to wit:

On this 28th day of January, 1843, before me the subscriber, a justice of the peace of the State of Maryland, in and for said county, personally appeared John Snively, and affirmed and solemnly affirmed, as he should answer to the Judge of quick and dead, that the matter set forth in the within instrument of writing is correct, the best of his knowledge. Affirmed before

C. SHEPPARD, J. P.

JOHN SNIVELY'S THIRD STATEMENT.

To the honorable committee assembled at Hagerstown, to examine the affairs of the Farmers and Millers Bank.

GENTLEMEN,—The report made out whilst in Hagerstown, and by the request of Mr. Buchanan, the chairman of the committee, the president and cashier were ordered to appear before the chairman at 2 o'clock, P. M., to hear the report read. The president appeared and the report read in his hearing; the president of the bank appeared surprised, and stated that it was altogether new to him, as it had never been made known to him and the present board, in its true light. Mr. Buchanan, the chairman of the committee, stated it would be no more than right, as the president of the Farmers and Millers Bank appeared ignorant of the transactions, to give them an opportunity of examining the claims referred to in the report. The report was read in the Farmers and Millers Bank, in the presence of the president and cashier, and left with them one day and night for further examination, by the board of directors. And they reported that at the next meeting of the board, on Tuesday next, all the claims referred to in my report of the Farmers and Millers Bank, should be fully and satisfactorily settled. So says the president and cashier of said bank.

Yours respectfully,
JOHN SNIVELY.

OWEN CONNOLLY'S STATEMENT.

ANNAPOLIS, *January 27th, 1843.*

Some time about the middle of September last, J. S. Pollard, President Farmers and Millers Bank, whilst staying at my house in the city of Washington, authorised me to negotiate a loan of ten or twelve thousand dollars in specie requisitions or funds, for which he was willing to pay a bonus of five hundred dollars; the first named amount to be used, as I understood him, for the purpose of reporting to the Legislature. I addressed him a letter on this matter, requesting him to come to the city, that I had succeeded. He came as soon as convenience would justify, as I believe, and after some days having been spent in preparatory negotiation, the matter failed. There was a misunderstanding between my conception of the negotiation and that explained by J. S. Pollard, as well as I recollect. The intention was to send the funds westward in sums that would suit the bank to redeem when presented for payment. I had done all that I could have done, fairly and without pay or emolument, thinking and believing that the bank was fully competent eventually to redeem its liabilities.

OWEN CONNOLLY.

The interlineation of the President of the Farmers and Millers Bank, being interlined before sworn to.

On this 27th day of January, 1843, personally appears Owen Connolly of the city of Washington, before me, the subscriber, a justice of the peace, and makes oath on the Holy Evangelical of Almighty God, that the facts as set forth by him in the within, is just and true, according to the best of his knowledge and belief.

Sworn before

R. WELCH, of Ben.

Annapolis, Anne Arundel County,

The same day the above written.

JOSEPH T. GUTHRIE'S STATEMENT.

Mr. Joseph T. Guthrie summoned to testify before the committee by J. S. Pollard, President of the Farmers and Millers Bank of Hagerstown.

Mr. GUTHRIE being sworn, testifies as follows:—On the 31st August, 1841, at a regular meeting of the former board of directors, at this meeting the consideration of my proposition to resign was taken up, which was accepted on consideration that I would act as cashier until another was provided in my stead. General Eyster was elected as cashier the same day, on condition that he would give bond in the sum of \$20,000, and take the oath prescribed by law in the charter. On the 30th September, the board again met; Eyster appeared and qualified, after having given the due security. The bank received the cash for all these checks and certificates of deposits, which were exhibited to the committee this day by the president; that regular entries were made of the same, before my retiring from the bank as cashier; since the election of the present board of directors, the bank has settled the whole of them, considering that a valuable consideration was received, and that the bank was legally bound for them, and by paying those certificates and checks, the amount of the indebtedness of the bank was thereby reduced to that amount.

When I was elected cashier, and after the organization of the bank, I received from the treasurer of the commissions \$75,050 in specie and specie certificates, with which amount the bank commenced operation; there was included in that amount, I think, two specie certificates, at all events not more than three; one of them was a certificate issued by the Erie County Bank of New York, one other by the Millington Bank. Some time after the bank had been in operation, the then president and myself discounted a draft drawn on the Phenix Bank of New York for \$61,500, interest received on which was \$953.¹/₂⁵/₆; before the maturing of this draft, I purchased all the stock then held by the two Weeds and Sherwood in the Farmers and Millers Bank, in payment of which I took up that draft, by giving to the Farmers and Millers Bank between that time and the 10th February following, \$40,000 of paper satisfactorily secured to the institution; some time after this, myself and two other gentlemen gave to the institution \$20,000 of notes, secured by collateral security, to the satisfaction of the institution; whether the balance was paid in cash or notes satisfactorily on demand, I cannot now recollect, without referring to the books of the institution. Since this time the whole of the \$60,000 has been taken up, and the securities mentioned above have ceased to exist as the securities of the bank; that is the manner in which this draft has been retired; the time that draft was given, the money of the institution on which it was drawn, was at par—two per cent. premium in this place, as will appear from Bicknell's Reporter.

In justification of the course above pursued by myself, I sub-

mit as part of my testimony, the opinion of certain attorneys, learned in the law, marked (I.)

"The following case was submitted to us by J. T. Guthrie, Esq. for our opinion:

The Farmers and Millers Bank of Washington County was thus organised:—The citizens of the county subscribed for a considerable amount of the stock, a couple of gentlemen of reputed wealth also subscribed for a large amount, being a majority of the whole taken before the organization of the bank. The citizens paid for their stock in checks and notes on other banks; those gentlemen paid for their stock by giving the bank \$9,000 in specie and the balance in certificates of specie paying banks; those certificates set forth that there was deposited so much specie in those banks to the credit of these gentlemen. The specie collected for the notes and checks paid in by the citizens and the specie paid by those gentlemen, together with the certificates, made up the amount of \$75,000. The bank being required by the tenth article of the charter to have \$75,000 in gold and silver before commencing to issue her notes, the Treasurer was requested to appoint such persons to examine and report the same to him; he did appoint persons as required by the charter, who did report that \$75,000 in gold and silver was in possession of the bank. Whereupon the Treasurer gave the bank a permit to commence business. The bank commenced a regular course of banking and has continued to do so ever since, but she has in the mean time discounted bills and notes on time and taken liens on real estate as collateral security, and for part of these bills and notes so discounted, gave in payment the certificates above named. Your written opinion is requested as to whether this bank was legally organised, and whether she has since violated her charter; and if she has or has not in a legal point of view of the whole matter, does she now stand in a correct position?

Upon the above statement of facts, the first question put to us is whether the said bank was legally organised. By the 10th article of the 13th section of the charter of the bank, it is provided "that until the sum of \$75,000 in gold and silver coin, should be in possession of the president and directors of the banks as part of its capital stock, and the same shall have been certified to the Treasurer of the Western Shore by such persons, as he shall appoint, to ascertain said facts, it shall not be lawful for the said president and directors, to issue any note of said corporation." The object of the foregoing provisions, was to secure, previous to the organization of the bank, and as indispensable thereto, an adequate specie basis, upon which to commence the proper business of the corporation, and without which, it could never have existence, as a bank in the eye of the law. This article not only requires, that the above amount of gold and silver should be in possession of the bank, but that the fact should be clearly established; directs that the Treasurer should appoint two persons, to ascertain and report to him the possession of the above sum in gold and

silver by the bank, as a part of its capital stock. According to the statement of the facts, three persons were appointed by the Treasurer, to make the requisite examination and report to him, the result of their scrutiny. That these persons assuming upon themselves the execution of the duties of their office, did make the requisite examination, and reported to the Treasurer, that the said bank had in its possession, as a part of its capital stock, the sum of \$75,000 in gold and silver, and that, upon this report being satisfactory to the Treasurer, he gave the bank a permit to commence its business. We are of opinion that the above report of the persons appointed to examine the condition of the bank, and the permit of the Treasurer granted thereupon, afford conclusive evidence, that the bank did every thing which was necessary to its perfect organization, so far as the 10th article of the 13th section of its charter is concerned, and that it has therefore a complete legal existence, and is every way qualified to transact the business for which it was created, and is in the just and full possession of all its chartered rights.

As to the loan made by the bank, and to secure which, it has taken mortgages on real estate, there can be no doubt that it was entirely competent and proper for it so to do. This power is expressly conceded to the bank, by the 21st article of the 13th section of its charter.

Upon the whole we are of opinion, there is nothing in the above statement of facts, that can create a suspicion as to the due organization of the said bank, or in the subsequent management of it, that can impair its claim to the validity of its charter, and all the rights and privileges which are granted by it.

JAMES M. BUCHANAN,
G. L. DULANY.

I have received the opinion of Messrs. Buchanan and Dulany, and fully concur in the same.

WILLIAM PRICE.

The opinion of Messrs. Buchanan and Dulany, have been read carefully by me, and I fully concur in the same.

ALEX. NEILL, Jr.

Mr. Guthrie denies the correctness of the statement of Mr. Fechtig, so far as Mr. F. stated that the bank received nothing for the draft upon the Phenix Bank of New York. The bank does not owe Mr. Snively any thing—that since any transaction with him by the bank, he Snively, has availed himself of the benefit of the bankrupt act, and owes the bank \$1,000.

The statement by Mr. Thomas N. Davis made before the committee, so far as regards myself making any statement to him in relation to an institution of which he spoke of in Virginia, which could be put in operation, its funds divided among ourselves, and then brake, is false—as also that portion of his testimony which states that Weed brought the \$10,000 of specie from New York is false, I having procured that specie myself in Philadelphia—and

brought the same to Hagerstown. I do not owe Mr. Davis a dollar in the world; I also deny all that portion of Davis' testimony in which he states that Mr. Pollard and myself stated to him that we could get out a circulation of 30 or \$40,000, and then slide it into the hands of the Pennsylvania concern, as utterly false. I have from time to time received from Davis, letters containing threats that unless the Farmers and Millers Bank did loan him as much money as he wanted, he would blow her up; as also that he would appear before this committee and testify against the bank; Guthrie denies the general accuracy of the entire statement made by Davis. I have been told that Davis has stated that if I would give him a thousand dollars he would go away, and not interfere with the bank.

Since the committee arrived here, I have ceased to be concerned in the Farmers and Millers Bank, either as director or stockholder, and have come under a penalty never again to hold stock in said institution. The subject of the negotiation of my stock has been a matter of consideration before any committee was appointed to investigate the bank—and has only been closed since their arrival here.

I know of no transaction ever made by any officer in the institution intended for any other purpose than for the benefit of said institution.

Mr. JOHN ROBINSON—I am a merchant in this town; I am not a stockholder in the Farmers and Millers Bank, but have been accustomed to receive the money of that bank; have always found the bank ready to redeem its liabilities, so far as I have been concerned.

Mr. JACOB SWOPE—I am also a merchant of Hagerstown; have been accustomed to receive the money of the Farmers and Millers Bank, never had any difficulty with its notes; have made exchange with the bank of its own issue for specie; never had any difficulty in effecting the same; have no connexion whatsoever with the bank.

Mr. L. O. HARN—I am a merchant of this town; am not a stockholder in the Farmers and Millers Bank; have no direct interest in the bank; have never refused their issues; always been able to effect an exchange of its notes for specie; do not know of the bank ever refusing to redeem its notes.

JOURNAL OF PROCEEDINGS.

The committee appointed to investigate the affairs of the Farmers and Millers Bank, proceeded to Hagerstown, Washington county, and met at the Globe Inn, on Monday the 16th inst. and organized by appointing George W. Post, clerk, and George G. Brendle, messenger.

Present,

John M. Buchanan, Chairman, Doctor J. S. Owens and J. H. Grove.

TUESDAY, *January 17th, 1843.*

Committee met at No. 10, Globe Inn. Were present same members as yesterday, and addressed the following letter to John S. Pollard, Esq. president of the Farmers and Millers Bank of Hagerstown, together with a copy of the order of the House of Delegates, instituting this committee of inquiry :

GLOBE INN, *Hagerstown, 17th Jan. 1843.*

SIR,—Inclosed you will receive a copy of an order adopted by the House of Delegates, on the 13th inst. In pursuance thereof the committee are now in Hagerstown, and will be pleased to learn at what hour to-day it will be agreeable to the president to see the committee at the banking house.

Your ob't serv't,

J. M. BUCHANAN.

TO J. S. POLLARD,

President Farmers and Millers Bank, Hagerstown.

The above letter was handed to the president by the messenger about half past 10 o'clock, A. M., who returned in ten minutes with a verbal answer from the president and cashier, that they will return an answer in writing in the course of an hour.

The committee waited until the time expired, and then addressed the following letter to the president :

GLOBE INN, *Hagerstown, 12½ o'clock.*

SIR,—The select committee appointed on the 13th inst. by the House of Delegates, to examine into the condition of the Farmers and Millers Bank of Hagerstown, having informed the president of said bank of their presence in Hagerstown, and of their desire to be informed at what hour it would be agreeable to the president for them to visit said bank, and having received no answer to their

communication of this morning—now inform the president that they will be at the banking house at 1½ o'clock, for the purpose of commencing said examination. By order of said committee,

GEO. W. POST, Clerk.

To J. S. POLLARD, Esq.

President Farmers and Millers Bank.

The above was forthwith handed to the president of the Farmers and Millers Bank, by the messenger, who returned with the annexed answer:

FARMERS AND MILLERS BANK OF HAGERSTOWN,

Tuesday, 1 o'clock, P. M. Jan. 17th, 1843.

J. M. BUCHANAN, Esq.

SIR,—I received yours of this morning, and in answer say—that this being our discount day we are considerably engaged; and although we cannot acknowledge the right of the Legislature to examine the affairs of this bank, we will cheerfully admit you to make an investigation at the banking house to-morrow at 2 o'clock P. M.

Your ob't serv't,

J. S. POLLARD, *President.*

At half past one o'clock the committee received another communication from the president of said bank in answer to their communication at 12¾ o'clock, which is as follows:

FARMERS AND MILLERS BANK,

1½ o'clock, P. M., Jan. 17th, 1843.

J. M. BUCHANAN, Esq.

SIR,—I received yours of 12¾ o'clock of to-day, which is now before me, and regret to say that we cannot, consistent with our duty to the institution, admit your investigation to commence at the time stipulated by your last—but shall be happy to receive you at the time named by us, in my note to you.

Your ob't serv't,

J. S. POLLARD.

The above communication was handed the committee by the messenger of the bank, which was immediately replied to as follows:

GLOBE INN, 2 o'clock.

SIR,—Both of your communications of this date have been received by the special committee, appointed to investigate the concerns of the Farmers and Millers Bank. The committee can see no reason why you should have objected to an immediate investigation, and regret that you should have been so forgetful of the duty you owe the institution over which you preside, as to have insisted on a postponement until 2 o'clock, P. M. to-morrow. We would respectfully suggest the propriety of the committee entering upon the discharge of the duties assigned them, at 9 o'clock to-morrow morning. By order of committee,

GEO. W. POST, *Clerk.*

To JNO. S. POLLARD,

President of Farmers and Millers Bank, Hagerstown.

The committee then received the following letter :

BANK HOUSE, *January 17th, 1843,*

Half past 2 o'clock, P. M.

J. M. BUCHANAN, Esq.

SIR,—Your last communication has just been received, proposing to commence your investigation to-morrow morning at nine o'clock ; to that proposition we accede.

Our only object in proposing 2 o'clock, P. M. to-morrow, as the hour of our meeting, was to enable us to pass through the ordinary business of the bank, during our banking hours, and to avoid that interruption to which we must necessarily be subjected. There is no disposition on the part of this institution, to subject your committee to the slightest inconvenience or delay, in discharging the duties conferred upon you by the Legislature. At the hour above named, we shall be prepared to receive the committee and proceed with the investigation.

Your obed't servant,

J. S. POLLARD, *President.*

WEDNESDAY, *January 18th, 1843.*

Committee met at the Banking House—present same members as yesterday.

The committee, before proceeding to an examination of the Bank, administered the following oath to M. C. Clarkson, cashier of said bank :

You make oath on the Holy Evangely of Almighty God, that the *specie funds* which you shall exhibit, to be counted by the special committee appointed by the House of Delegates, are *bona fide* the funds of this bank ; that none of said specie has been borrowed for a temporary or special purpose, or belongs to any other banking institution, or has been deposited to the credit of any person or persons, as special depositors. Cashier sworn.

The following exhibits were then handed to the committee :

Situation of the Farmers and Millers Bank of Hagerstown, at the close of business, January 2nd, 1843.

<i>Debtor.</i>			
To stockholders	-	-	\$155,406 00
" Certificates and current deposits			5,719 61
" Circulation	-	-	16,709 00
			<hr/>
			\$177,834 61
<i>Credit.</i>			
By debt outstanding	-	-	\$123,773 86
" Bonus paid the State	-	-	2,500 00
" Profit and loss,	-	-	2,043 66
" School tax paid	-	-	342 95
" Suspense account	-	-	324 46
" Stocks	-	-	17,100 00
" Real estate	-	-	21,028 83
" Specie and specie funds	-	-	6,121 46
" Notes of other banks and sight checks	-	-	4,599 39
			<hr/>
			\$177,834 61

A Statement of the Farmers and Millers Bank of Hagerstown, January 18th, 1843.

<i>Debts.</i>			
Stockholders	-	-	\$155,406 00
Certificates and current deposits			5,464 54
Circulation	-	-	8,839 00
			<hr/>
			\$169,709 54
<i>Credits.</i>			
Outstanding debts	-	-	\$120,696 42
Bonus paid State	-	-	2,500 00
Profit and loss	-	-	2,043 66
School tax	-	-	342 95
Expense account	-	-	1,107 37
Stocks	-	-	17,100 00
Suspense account	-	-	263 31
Real estate	-	-	21,028 83
Specie and specie funds	\$2,410	00	
Notes of other banks and sight checks	-	1,780	00
Funds in Baltimore, subject to our check		437	00
			<hr/>
			4,627 00
			<hr/>
			\$169,709 54

The cashier produced to the committee the specie funds, as follows:

Bag No. 1, - - - -	\$300 00	} Silver.
“ “ 2, - - - -	200 00	
“ “ 3, - - - -	200 00	
“ “ 4, - - - -	700 00	
Change bag, No. 5, - - -	130 00	} Gold.
“ 6, - - - -	195 50	
<hr/>		
\$1,725 50		

Paper of specie paying banks, \$285.

Wm. Crawford, Jr.'s. check on the Farmers and Commercial Bank of Baltimore, \$392.61.

Notes of Pennsylvania banks, \$860.

A. P. Willson and William Carson, of Harrisburg, note dated Dec. 9, 1842, thirty days after date, \$400.

Certificate of deposit to the credit of J. Gray, in the Harrisburg Savings Institution, bearing 4 per cent. interest, dated January 25th, 1842, redeemable at any time by giving four weeks notice, \$500.

Balance due the bank by William Crawford, payable at sight, \$437.

Real Estate.—The bank exhibited to the committee the following deeds:

No. 1. The undivided fourth part of two-thirds of 297 acres of land, more or less, situated in Piney Grove, Schuylkill county, Pa. *Original grantor* David Greenwell to Henry Buhler, of Harrisburg. Consideration paid \$505.50. Assigned to the bank by C. A. Snyder, consideration, \$1,700. Date of original deed April 14, 1836. Assignment dated Sept. 7, 1841.

No. 2. Deed bearing date May 15, 1841, from John Snively, of Harrisburg, to the Farmers and Millers Bank, two certain tracts or parcels of land, lying in Piney Grove township, Schuylkill county, containing together 800 acres, with allowance of 6 per cent. for roads, by which it appears that the bank paid said Snively \$24,000, of which sum \$13,271.17 has been paid, leaving a balance due, \$10,728.83.

No. 3. Deed from John Snively, of Harrisburg, to the Farmers and Millers Bank, for a lot of ground in the township of Swatara, Dauphin county, Pa., for which said bank paid \$600.

No. 4. Deed from John Snively to the Farmers and Millers Bank, for one-eighth of 1600 acres of land in Schuylkill county, Pa., for which the bank paid \$800.

Exhibit of Stocks.—No. 1. Certificates of stock of Union Rail Road and Mining Company, of Pa., \$17,000.

No. 2. Williams Valley Rail Road and Mining Company of Pennsylvania, \$100.

Committee adjourned to meet at 3 o'clock.

2 o'clock, P. M.

Committee met—present same as this morning, and addressed the following letter to the cashier :

FARMERS AND MILLERS BANK,
Hagerstown, 18th Jan. 1843.

M. C. CLARKSON, Esq. *Cashier* :

SIR,—The select committee appointed to examine into the condition of the Farmers and Millers Bank, would thank you to lay before them the diary of proceedings of the board of directors, and also your offering book.

Very respectfully, &c.

J. M. BUCHANAN, *Chairman*.

The above was immediately delivered to the cashier, and in a few minutes returned the following answer :

FARMERS AND MILLERS BANK,
Hagerstown, 17th January 1843.

To J. M. BUCHANAN, Esq. *Chairman* :

SIR.—In answer to yours just received, I feel obliged to decline exhibiting the diary of the board of directors of this bank, that book containing the names of every individual who has been in the habit of transacting business with us ; and not deeming it proper to throw open for examination the transactions of individuals, I hope will be received as sufficient apology for the refusal ; I am however authorised to say that so far as an examination of the private accounts of each and all of the present board, a full exhibition of the books shall with pleasure be made. I also intend to mean in the above offer, the accounts of the president and cashier.

A separate offering book from the diary of the board, the bank keeps none.

Very respectfully, yours &c.

M. C. CLARKSON, *Cashier*.

To the above the committee returned the following answer :

FARMERS AND MILLERS BANK,
Hagerstown, 18th January, 1843.

M. C. CLARKSON, Esq.

SIR,—Having refused by your letter this moment received, to lay before committee the diary of proceedings of your bank, and also your "*offering book*," and it appearing from the statement furnished by you to the committee this morning, that the bank has "*outstanding debts*" to the amount of \$120,696.42, the committee have no means now to ascertain the nature and *availability* of those debts, unless you will lay before them the books of the bank, or the bills discounted ; they therefore most respectfully ask you to communicate to them some other satisfactory evidences of the said outstanding debts of your institution.

As we shall decline for the present, any examination of the accounts of the present board of directors, and other officers of the bank, as they would not most likely impart the necessary informa-

tion desired by the committee, to illustrate the character of the outstanding debts of the bank.

Very respectfully, yours, &c.

J. M. BUCHANAN, *Chairman.*

The committee issued summons for the following persons to appear before them, to wit :

Thomas N. Davis, William V. Heard, Charles W. Perry, Andrew Kershner, George Fechtig, David Ban, John L. Smith, Robert Logan, John Snively, John A. Rench and Wm. B. Clarke.

GLOBE INN,

Hagerstown, 18th Jan. 1843, 7 o'clock P. M.

Agreeably to adjournment, the committee met, were present the same as yesterday. And adopted the following list of interrogatories to the president and directors of the Farmers and Millers Bank of Hagerstown, which was delivered between 8 and 9 o'clk this evening.

The select committee appointed by the House of Delegates to examine into the condition of the Farmers and Millers Bank of Hagerstown, request answers to the following interrogatories, in writing, and under oath :

GENTLEMEN,—

1. When did the Farmers and Millers Bank of Hagerstown go into operation?

2. What was the amount of *actual*, and what amount of nominal *capital*?

3. How was that capital paid in? If not all in specie—state what amount was paid in specie, and what amount in other funds, designating the character and kind of such funds?

4. Who were the original owners of the stock? What was the first price, and what is now the value of said stock?

5. Who have been heretofore directors and officers, and who are now directors and officers of said bank, and what amount of stock do the present directors and officers individually hold?

6. What amount of stock of the Farmers and Millers Bank or of any other stock, has been taken in payment of debts due said bank?

7. What amount of money is owing said bank by its directors and officers as drawers, and what amount as endorsers?

8. Have the present directors and officers paid up the amount of the stock held by them in full? If not, what amount remains unpaid?

9. Did said directors or officers at the time of the purchase of their stock, pay the cash for it? If not, state the terms on which said stock was purchased?

10. What amount of money has been loaned by said bank on stock notes?

11. Has said bank paid out any of its notes with an under-

standing that such notes were to be put in circulation at distant places? If yea—to what amount.

12. Has said bank directly or indirectly purchased at a discount the notes of any other bank, or paid out at their par value such depreciated notes?

13. Does said bank, in discounting, give a preference to the paper of any individual or individuals?

14. State the actual condition of said bank quarterly, from the 31st day of December, 1840, to the 31st day of December, 1842, and in such separate statements, give a detailed account of all its assets and liabilities, embracing amounts of specie, notes of other banks, real estate, stocks received in payment of debts, bills and notes discounted, balances due by other banks, and all other assets; and the capital stocks, notes in circulation, balances due other banks, individual deposits, public deposits, if any, all other liabilities, and profit and loss?

15. What was the rate of your four last dividends declared by said bank? What surplus was brought into the dividend account for the year 1842, and what surplus had you left at the time of declaring said dividends?

16. What amount of debts due said bank are considered desperate? what amount doubtful? what amount, if any, are suspended?

17. State what amount of notes since the 1st January, 1840, of from \$100 to \$500, from \$500 to \$2,000, from \$2,000 to \$5,000, from \$5,000 to \$10,000, from \$10,000 and upwards, have been discounted by said bank?

18. How were the present board of directors elected, and what number of votes were given by the stockholders personally, and what number by proxies?

19. Has any of the debts due said bank been exchanged, or is any exchange contemplated of such debts for stocks of incorporated companies, or for certificates or other evidences of debts against individuals, incorporated companies or States? If yea—state to what amount, and give a full and detailed account of the same?

20. Were not Weed and Sherwood, late of the Millington Bank, stockholders in the Farmers and Millers Bank? If yea—state to what amount, and specify particularly whether they have paid the full amount of stock subscribed by them, and the manner in which they paid the same—whether in specie or in drafts, and whether the same have been punctually paid, and in what kind of funds? and whether said stock still stands on your books as the property of Weed and Sherwood? If not, to whom has the same been transferred, and at what time was said transfer made on your books?

21. Have you ever discounted the drafts of Sherwood and Weed, or any of the officers of the Millington Bank? If so—state the amount.

22. Have you received or paid out any of the notes of the Millington Bank since its failure? If yea—to what amount.

23. Has the bank ever lost any of its means by embezzlement or the defalcation of any its late or present officers or directors? If yea—state the time of the same, and to what amount.

24. Who were the original and who are the stockholders in said bank?

GLOBE INN,

Hagerstown, 20th Jan. 1843, 10 o'clock, A. M.

Committee met.—Present the same members as yesterday. Summons issued for General Otho H. Williams, George R. Beall and B. Hale.

John A. Rensch appeared and desired to correct his testimony of yesterday, which was accordingly granted; but his statement being of a very contradictory and unintelligent character, the committee declined receiving it.

The following letter was addressed to the cashier of the Farmers and Millers Bank of Hagerstown, enclosing a copy of interrogatory No. 25:

GLOBE INN,

Hagerstown, January 20, 1843.

TO M. C. CLARKSON, ESQ.

Cashier of the Farmers and Millers Bank of Hagerstown:

SIR,—You will please furnish the select committee with a list of the names of all of the original stockholders in the Farmers and Millers Bank of Hagerstown, as also a list of the names of the present stockholders, setting opposite each individuals name the amount paid by them respectively, specifying as nearly as you can, the particular description of funds in which the stock was paid for.

Respectfully, &c.

J. M. BUCHANAN, *Chairman.*

P. S.—Inclosed you have interrogatory No. 25, which you will please answer with the others furnished you hereafter.

No. 25. Have any transfers of stock of the Farmers and Millers Bank of Hagerstown been made without a valuable consideration, but for a special purpose? If yea—state at length the purposes contemplated or expected to be accomplished by such transfer; also, whether there was a positive or implied understanding, that said stock should be re-conveyed after the purpose sought to be accomplished had been consummated.

By order of the committee,

J. M. BUCHANAN, *Chairman.*

The committee adjourned at 6 o'clock, P. M. to meet at 7 o'clock, P. M.

GLOBE INN, 7 o'clock, P. M.

Committee met.—Present same members. Thomas N. Davis appeared, as requested, with an exhibit of his testimony in writing.

Five interrogatories in writing were sent to John A. Rench, and his answer requested in writing, but his replies not being deemed to the point, the committee deem it prudent not to encumber their journal with them.

Committee adjourned at 9 o'clock, P. M. to meet at 9 o'clock, A. M.

GLOBE INN, *January 21st, 1843.*

Committee met.—Present same as yesterday. Wm. V. Heard appeared and was sworn.

The reading of the journal was dispensed with.

Thomas N. Davis appeared and exhibited his testimony in writing.

Committee adjourned at 1 o'clock, to meet at 1½ o'clock.

1½ O'clock, P. M.

Committee met. George Fechtig appeared and was re-examined.

The following communication was received from the cashier:

Hagerstown, January 21st, 1843.

J. M. BUCHANAN, Esq. Chairman:

SIR,—Some verbal testimony having been given before the committee, that the directors think could be satisfactorily explained, if the books were referred to, I am authorised to produce before the committee, for such references and explanations, all the books of the bank for examination, except as to private accounts. Very respectfully, yours, &c.

M. C. CLARKSON, *Cashier.*

In answer to the above, the committee sent the following communication:

GLOBE INN,

Hagerstown, Jan. 21, 1843, 4 o'clock, P. M.

TO M. C. CLARKSON, Esq.

Cashier of the Farmers and Millers Bank of Hagerstown:

SIR,—Your communication of this date has just been laid before the committee. You say in that note that some verbal testimony having been given before the committee, that the directors think could be satisfactorily explained if the books of the bank were referred to, and that you are authorised to produce the books for such reference and explanation. It will be recollected by you,

that the committee made application to the bank for the diary of proceedings of the board of directors, and also of the books of the bank, for the purpose of enabling them to arrive at a correct understanding of the actual condition of the bank at this time, as well as the manner in which the institution has been conducted. This request was refused by the officers of the bank. The committee cannot now consent to an examination of the books with reference to any isolated question, or for any special purpose; but if you will now consent to lay before the committee the books of the institution for the purpose of a general examination of the same, the committee will still go into such examination.

The committee will cheerfully hear and examine any witnesses of respectability and not interested touching the affairs of the bank, that you may think proper to introduce for that purpose, or for the purpose of explaining or rebutting any testimony that may have been taken by this committee. Actuated by a spirit of courtesy, the committee have suffered the officers and directors of the bank to be present at the examination of all of the witnesses, and have extended to the bank the right of a cross examination, continuing to be influenced by the same feelings towards the gentlemen who may feel themselves implicated by the testimony which has been taken. We will hear them in defence by any well authenticated matter or other testimony. Unless the bank have some testimony of the character above indicated, to offer, the committee will adjourn this evening at 10 o'clock, P. M., to meet at Annapolis on Thursday morning next. Respectfully, &c.

J. M. BUCHANAN, *Chairman.*

To which the following answer was returned :

FARMERS AND MILLERS BANK, HAGERSTOWN,
5 o'clock, P. M. 21st January, 1843.

J. M. BUCHANAN, Esq. *Chairman.*

SIR,—Your note dated 4 o'clock, P. M. this day has just been received, and I hasten to reply to it. In one of your former communications, you requested an examination of the diary of the board of directors and book of offering, which request, we felt ourselves bound to decline, because those books contained the private individual transactions of all persons having dealings with the bank. In a note addressed to you to day by the cashier, he offers to your examination the books of the bank, in relation to any matter you might desire to investigate, except the private accounts.

I now propose to lay before your committee all the books of the bank for the purpose referred to, and I am now willing that your committee shall have the books to examine every thing except the private accounts of individuals. You stated in your note of this evening, that you are willing to examine witnesses of respectability, not interested, touching the affairs of the bank. You will re-

collect that on the first day of your examination, I requested of you the privilege of appearing before the committee by counsel on the part of the bank, and of cross examining witnesses, and producing rebutting testimony, which request you refused to grant. You now inform us that your committee will adjourn at 10 o'clock to-night. You will therefore perceive that it is absolutely impracticable to summon witnesses and have them examined on our part, in the very limited period allowed by the committee.

We ask the privilege of having Mr. J. T. Guthrie examined as a witness on the part of the bank, as he has ceased to be a director, or hold any other interest or connection with the institution.

This being our only opportunity of offering any testimony according to the tenor of your last communication.

Yours respectfully,

J. S. POLLARD.

At about 7 o'clock, P. M., the following communication was received from M. C. Clarkson, cashier, enclosing the answers to the interrogatories that had been addressed to him on the 18th inst.

HAGERSTOWN, *January 21st, 1843.*

J. M. BUCHANAN, Esq. Chairman.

SIR,—Inclosed you will find the answers to 22 of the 25 interrogatories furnished by you, the 14th, 17th and 24th interrogatories will require such a length of time to answer, that I have concluded to send the enclosed, and say to you, that I shall as soon as possible answer the three. I have been examining the books preparatory to furnishing an answer, and find it altogether impracticable to prepare answers for a few days.

Very respectfully, your obedient servant.

M. C. CLARKSON, *Cashier.*

The answer of M. C. Clarkson, cashier of the Farmers and Millers Bank, to the interrogatories propounded by the committee of the House of Delegates of Maryland, appointed for the investigation of the affairs of said bank.

This respondent begs leave to state that he has always lived in the State of Pennsylvania, until he was elected cashier of the Farmers and Millers Bank, on the 12th of October last, on which day he entered upon his duties. He consequently has no personal knowledge of the operations of the bank, previous to the period above referred to.

To the first interrogatory this respondent answers: The bank commenced its operations, as it appears from the books, on the 10th of September, 1840.

2. The books shews that the capital subscribed was \$100,000, the amount paid in \$75,050.

3. It appears that the amount paid in, viz: \$75,050, was paid in specie and specie certificates—in what proportion it does not appear.

4. To the first branch of this interrogatory I refer you to the answer to the 24th, the original price was \$10 per share. I have known of no sale since I have had charge of the bank, but have understood that a number of shares have changed hands at par, within six months.

5. At the first election held under the charter, the following gentlemen were elected directors and officers, viz: Directors, William D. Bell, George Kealhofter, Samuel Baechtell, John Newcomer, James J. Hurly, John Welty, Martin Richenbach, Otho H. Williams and G. Ross Beall. The election for the above named gentlemen, was held March 17th, 1840. On the 4th May, following, Otho H. Williams, William D. Bell, G. Ross Beall, John Newcomer, George Kealhofter, James J. Hurly, Joseph T. Guthrie and John A. Rench were elected directors, and on June 1st, G. Ross Beall was elected president, and John Welty and George Fechtig to fill vacancies, caused by the election of Mr. G. R. Beall, president, and William D. Bell be disqualified, having been elected a director in the Hagerstown bank, and Joseph T. Guthrie, cashier.

On May 3rd, 1841, the following gentlemen were elected directors. G. Ross Beall, George Fechtig, James R. Jones, John Welty, J. T. Guthrie, Samuel Baechtell, Robert Logan, Frederick Stumbach. G. Ross Beall declining a re-election, Andrew Kershner, was elected president.

August 31st. Mr. Guthrie resigned his cashiership, and Mr. Jacob Eyster elected.

October 5th, 1841. Jacob Eyster, was elected director to fill vacancy.

May 25th, 1842. The following gentlemen were elected. John Welty, Robert Logan, Christian Negly, J. L. Smith, John Clay, John S. Pollard, J. T. Guthrie and David Barr.

On 26th May, J. S. Pollard was duly elected president.

On October 12th, 1842. M. C. Clarkson was elected director to fill vacancy, and on same day was also elected chashier in room of W. V. Heard resigned.

John S. Pollard holds 73 shares of stock.

M. C. Clarkson " 50 " "

R. Logan " 20 " "

C. Negly " 5 " "

J. Welty " 20 " "

J. L. Smith " 5 " "

J. Clay " 25 " "

6. No stocks of this bank appear to have been received in payment of debts, but the stocks exhibited to you in the statement furnished you, appear to have been so received.

7. There is due by one of the directors as drawer, the sum of \$135.5—there is nothing else due by either director or officer as drawer, as endorser one of the present board is on notes to the amount of \$300.

S. Yes?

9. This respondent knows nothing except of his own, which he purchased of J. S. Pollard, and gave his note for the payment.

10. It does not appear that any money has been loaned on stock notes,—there are two notes which appear to have been given for stock, which this respondent is willing to exhibit, the notes are dated October 22, 1841.

11. It does not appear from the books that such transaction took place, nor does this respondent know of any.

12. Since this respondent has been connected with the bank, no paper has been directly or indirectly purchased, he has some times received at par Pennsylvania money and so paid it out.

13. He does not know of said bank giving any preference in discounting to any individual or individuals, except as to the character of the paper.

14.

15. No dividends have been declared.

16. Having a very slight knowledge of the circumstances of persons indebted to this bank, this respondent is unable to say, what amount of debts are desperate, what amount are doubtful, and what suspended.

17.

18. This respondent has no knowledge, and there is nothing to shew.

19. Although not quite confident that a detailed statement of a conditional arrangement about being made, should at present be made public. This respondent feels that it is due to the community, as well as to the institution, to make the following statement, viz: a negotiation has been going on for some time past, for the transfer of some claims of the bank, which may be considered doubtful for evidences of debt of the State of Pennsylvania, bearing an interest of 6 per cent. payable in semi-annual instalments, on some of which 20 per cent. on the principal was paid on the 1st of November last, and in May another payment will be made. The arrangement has so far been made, (and would have been consummated ere this, had not the excitement which at present prevails, been raised, as it was without any foundation, and caused the persons interested in the arrangements to hold back until the result of the investigation now going on, was known,) that the bank has now in its possession, such evidences of indebtedness to the amount of \$32,000, which should the report of the committee be made against the institution, are to be delivered to the persons contracting with the bank, who are gentlemen of capital and of most undoubted respectability. Should however the report be favorable, of which this respondent can feel no doubt, the above amount will be increased to a much larger sum, and made the active capital of the bank. I hope the gentlemen in contract with the officers of this bank, will see the propriety of this respondent making this statement, as he thinks the interest of the stockholders require it.

20. Yes—for 6,500 shares, on which it appears three instalments were paid, amounting to \$49,000. Nothing to shew how it was paid, except that it was paid before the bank went into operation—a fourth and the last instalment appears to have been paid on W. H. Weed's proportion, viz: 3,500 shares—amount paid \$7,750, making paid in all \$57,550.

On the 4th May, 1840, W. H. Weed transferred
to J. T. Guthrie - - 200 shares.

“ “ “ “ J. A. Rench 10 “

20th August “ Charles C. Murray & Co. 190 “

28th “ “ Saml. B. Hickcox & Co. 3,100 “

3,500

Sept. 4th, 1840, M. B. Sherwood trans-

“ ferred to S. B. Hickcox & Co. 2,533

24th, “ “ Theodore Bates 467

3,000

6,500 shares.

21. It does not appear that any draft was discounted in favor of Sherwood and Weed. A draft was discounted for \$61,500, drawn by W. Adams, cashier, on N. G. Ogden, cashier, New York.

22. No transaction of the kind has taken place since I have been in the bank.

23. He knows of no embezzlement or defalcation of any of its late or present officers or directors, nor of any loss sustained by the bank by embezzlement or defalcation.

24.

25. This respondent knows of no transaction of the kind.

State of Maryland, Washington county to wit:

Be it remembered that on this 21st day of January, A. D. 1843, personally appeared Michael C. Clarkson, cashier of the Farmers and Millers Bank of Hagerstown, and made oath on the Holy Evangely of Almighty God, that the matter and facts as stated in this instrument of writing, to be just and true as herein stated, according to his knowledge and belief. Sworn before,

C. H. GELWICKS,

A justice of the peace in and for Washington county, Md.

State of the Farmers and Millers Bank of Hagerstown, at different dates, from January 1st, 1841, to January 2nd, 1842.

January 1st, 1841.

<i>Debts.</i>						
Stockholders	-	-	-	-	\$75,350 00	
Circulation	-	-	-	-	5,670 00	
Deposits	-	-	-	-	6,092 35	
						\$87,112 35
<i>Credits.</i>						
Due by Citizens Bank of Balt.					845 74	
Specie	-	-	-	-	3,878 90	
Notes of other banks			-	-	6,615 00	
Loans and discounts			-	-	71,763 61	
Bonus to State	-	-	-	-	2,500 00	
Profit and loss	-	-	-	-	1,509 10	
						\$87,112 35

March 31st, 1841.

<i>Debts.</i>						
Deposits	-	-	-	-	\$3,509 88	
Circulation		-	-	-	10,000 00	
Interest	-	-	-	-	289 37	
Stockholders	-	-	-	-	76,095 00	
						\$89,894 25
<i>Credits.</i>						
Citizens Bank		-	-	-	32 99	
Bonus	-	-	-	-	2,500 00	
J. G. Park	-	-	-	-	5 00	
Specie	-	-	-	-	3,805 97	
Bank notes and checks			-	-	10,355 28	
Bills and notes due and unpaid					4,500 00	
“ “ not due				-	68,695 01	
						\$89,894 25

June 17th, 1841.

<i>Debtor.</i>					
Stockholders	-	-	-	\$98,737	50
Circulation	-	-	-	6,205	00
Deposits	-	-	-	5,313	36
Profits and loss	-	-	-	377	72
					\$110,633 58
<i>Creditor.</i>					
Hagerstown bank	-	-	-	1,175	00
Bonus	-	-	-	2,500	00
Debts outstanding	-	-	-	66,245	55
School tax	-	-	-	150	70
Stocks of incorporations	-	-	-	37,850	00
Cash	-	-	-	2,712	33
					110,633 58

September 30th, 1841.

<i>Debtor.</i>					
Stockholders	-	-	-	\$167,957	50
Circulation	-	-	-	5,975	00
Deposits	-	-	-	14,041	29
Profit and loss	-	-	-	688	28
					\$188,662 07
<i>Creditor.</i>					
Loans	-	-	-	52,574	41
Mortgages	-	-	-	62,300	00
Real estate	-	-	-	34,300	00
Stocks	-	-	-	34,850	00
Bonus	-	-	-	2,500	00
Philadelphia Bank	-	-	-	10	65
Cash	-	-	-	976	31
School tax	-	-	-	150	70
Tide Water money	-	-	-	1,000	00
					\$188,662 07

January 18th, 1842.

<i>Debtor.</i>			
Stockholders - - - -		\$96,116	20
Certificates - - - -		11,910	00
Profit and loss - - - -		357	01
W. V. Heard - - - -		58	63
A. Kershner - - - -		20	00
Bank issues - - - -		3,640	00
Interest - - - -		50	57
New bank issues - - - -		5,380	00
Suspense account - - - -		92,507	50
H. Walters - - - -		400	00
			<u>\$210,439 91</u>
<i>Creditor.</i>			
Expense account - - - -		674	87
Philadelphia Bank - - - -		10	65
Bonus - - - -		2,500	00
J. G. Park - - - -		5	00
H. Metcalf - - - -		30	00
School tax - - - -		150	70
U. R. Road & Mining Company		12,000	00
Real estate - - - -		34,300	00
Stocks of incorporations - -		22,850	00
J. Snively - - - -		15	39
J. Davis - - - -		100	00
William D. Bell - - - -		50	00
P. Hammer - - - -		25	00
J. Evans, jr. - - - -		3	53
Mortgage account - - - -		62,300	00
Tide Water money - - - -		1,000	00
Cash - - - -		21,529	25
P. Reitrel - - - -		1,025	00
H. D. Knapp & Company - -		2	25
Bills and notes discounted -		51,868	27
			<u>\$210,439 91</u>

March 22nd, 1842.

Debtor.

Stockholders - - - -	\$96,116 20
Certificates - - - -	11,910 00
C. Sheppard - - - -	89 49
Profit and Loss - - - -	357 01
A. Kershner - - - -	20 00
Bank issues - - - -	3,265 00
Interest - - - -	60 38
J. Eyster - - - -	175 00
New bank issues - - - -	5,380 00
Suspense account - - - -	92,507 50
H. Walters - - - -	400 00
D. Maugans - - - -	53 60

210,334 18

Creditor.

Expense account - - - -	912 37
Philadelphia Bank - - - -	10 65
Bonus - - - -	2,500 00
J. G. Park - - - -	5 00
Bills and notes discounted -	51,932 76
H. Metcalf - - - -	30 00
School tax - - - -	150 70
U. R. Road & Mining Company	12,000 00
Real estate - - - -	34,300 00
William V. Heard - - - -	20 00
Stock of incorporations -	22,850 00
J. Snively - - - -	15 39
J. Davis - - - -	100 00
William D. Bell - - - -	50 00
P. Hammer - - - -	25 00
J. Evans, jr. - - - -	3 53
Mortgages - - - -	62,300 00
Tide Water money - - - -	1,000 00
Cash account - - - -	21,099 72
P. Reitrel - - - -	1,025 00
H. D. Knapp & Company -	4 06

\$210,334 18

June 28th, 1842.

<i>Debtor.</i>						
Stockholders	-	-	-	-	\$154,187	50
Certificates	-	-	-	-	11,910	00
William V. Heard	-	-	-	-	42	00
Bank issues	-	-	-	-	2,665	00
J. S. Pollard	-	-	-	-	148	90
Interest	-	-	-	-	2	58
New bank issues	-	-	-	-	11,290	00
Small notes, &c.	-	-	-	-	4,400	00
J. C. Coxen	-	-	-	-	60	00
						\$184,705 98
<i>Creditor.</i>						
Philadelphia Bank	-	-	-	-	10	65
Bonus	-	-	-	-	2,500	00
R. Logan	-	-	-	-	135	05
J. G. Park	-	-	-	-	5	00
Profit and loss	-	-	-	-	1,067	83
H. Metcalf	-	-	-	-	30	00
School tax	-	-	-	-	342	95
U. R. Road and Mining Company					12,000	00
Real estate	-	-	-	-	21,028	83
Stock of incorporations	-	-	-	-	2,100	09
John Snively	-	-	-	-	32	80
I. Evans, jr.	-	-	-	-	3	53
A. J. Jones	-	-	-	-	15,461	67
Mortgages	-	-	-	-	62,300	00
Tide Water money	-	-	-	-	1,000	00
J. Eyster	-	-	-	-	199	92
Cash	-	-	-	-	9,249	70
E. Guyer	-	-	-	-	2,554	00
P. Reitrel	-	-	-	-	1,025	00
H. D. Knapp and Company	-	-	-	-	4	06
Expense account	-	-	-	-	516	77
Bills and notes discounted	-	-	-	-	52,431	34
Gover and Purvis	-	-	-	-	706	88
						\$184,706 07

October 12th, 1842.

Debtor.

Stockholders	-	-	-	\$154,862	50
Certificates	-	-	-	12,006	15
Profit and loss	-	-	-	1,368	85
Bank issues	-	-	-	25,045	00
Deposits	-	-	-	3,868	47
Interest account	-	-	-	7	46

\$197,158 43
Creditor.

Philadelphia Bank	-	-	10	65
Bonus	-	-	2,500	00
R. Logan	-	-	135	05
J. G. Park	-	-	5	00
H. Metcalfe	-	-	30	00
School tax	-	-	342	95
Stocks of incorporations	-		17,100	00
Real estate	-	-	21,028	83
J. Snively	-	-	32	80
J. Evans	-	-	3	53
J. Davis	-	-	100	00
A. J. Jones	-	-	15,467	29
Mortgages	-	-	62,300	00
J. Eyster	-	-	199	92
Cash	-	-	16,346	96
E. Guyer	-	-	2,554	00
P. Reitrel	-	-	1,025	00
H. D. Knapp & Co.	-	-	4	06
Suspense account	-	-	89	56
Expense account	-	-	255	66
Bills and notes discounted	-		56,883	70
Gover & Purvis	-	-	36	88
Fees account	-	-	36	55
E. Mickle & Co.	-	-	650	00
Carter, Gover & Co.	-	-	20	00

\$197,158 39

Answer to the twenty-fourth Interrogatory.

Original Stockholders.	Number of shares subscribed	Amount paid.	No. of shares trans'd	To whom Transferred.
W. H. Weed,	3,500	\$35,000 00	200	J. T. Guthrie.
"			10	J. A. Rench.
"			3,100	S. B. Hickcox & Co.
"			190	C. C. Murray & Co.
			3,500	
F. A. Weed,	3,100	15,500 00	3,100	J. T. Guthrie.
M. B. Sherwood,	3,000	22,500 00	2,533	S. B. Hickcox & Co.
			467	Theodore Bates.
			3000	
C. H. Williams,	30	250 00	15	C. H. Williams.
"			15	Sarah Williams.
			30	
J. Hager & Son,	10	75 00	10	J. S. Pollard & Co.
W. D. Bell, -	20	150 00	20	" "
John Neweomer,	10	75 00	10	" "
John Davis, -	20	150 00	20	" "
William Price,	10	75 00		
F. Dorsey, -	20	150 00		
J. Welty, -	20	150 00		
G. Fechtig, -	10	100 00	10	J. Eyster.
J. J. Hurly, -	10	75 00	10	J. S. Pollard & Co.
C. Winter, -	20	200 00		
P. Hammer, -	10	75 00		
M. Richenbach,	25	187 50		
G. W. Post, -	30	300 00		
Sam'l Baechtel,	100	750 00		
S. Yeakle, -	25	187 50		
G. Ross Beall,	20	150 00	20	J. S. Pollard & Co.
G. Kealhofter,	20	150 00	20	" "

There is nothing on the books to shew in what kind of funds any of the stock was paid for.

Answer to the 24th Interrogatory—Continued.

Names of Stockholders.	Number of Shares.	Amount paid.	To whom transferred.
J. A. Rensch, -	10	75 00	J. T. Guthrie.
J. T. Guthrie, -	30	300 00	Daniel Rhodes.
"	2	20 00	J. T. Guthrie, jr.
"	2	20 00	C. C. Murray & Co.
"	20	150 00	Daniel Rhodes.
"	150	1,500 00	C. C. Murray & Co.
"	20	200 00	J. C. Guthrie.
"	20	100 00	R. Logan.
"	10	50 00	J. R. Jones.
"	20	100 00	F. Stumbach.
"	20	100 00	A. Kershner.
"	88	880 00	J. Snively.
"	2,000	20,000 00	J. S. Espy.
"	2,000	20,000 00	S. H. Clark.
"	10	75 00	J. Seiders.
"	5	50 00	P. Petre.
"	200	2,000 00	J. Spencer.
"	4,297	42,970 00	A. J. Jones.
"	33	330 00	J. Seiders.
"	4	40 00	J. S. Pollard.
Theodore Bates,	467	3,502 50	
S. B. Hickcox & Co.	700	7,000 00	J. B. Trevor.
"	10	75 00	J. Seiders.
"	10	75 00	R. McIlheny.
"	150	1,500 00	S. Strider.
"	2,000	20,000 00	D. Krause.
"	2,763	27,630 00	J. Snively.
"	10	100 00	G. Fechtig.
"	60	600 00	Wm. Cline.
J. B. Trevor, -	700	7,000 00	J. T. Guthrie.
J. T. Guthrie, -	2	20 00	do
G. Fechtig, -	10	100 00	G. Keal.
"	10	100 00	D. M. Middlecauff.
"	10	100 00	J. Eyster.
"	10	100 00	Wm. V. Heard.
C. C. Murray, -	2	20 00	J. T. Guthrie.
J. T. Guthrie, -	20	200 00	do
C. C. Murray, -	340	3,400 00	J. White & Co.
"	600	6,000 00	J. Todd.
"	600	6,000 00	A. Reed.
J. Strider, -	50	500 00	A. Neill, jr.
"	100	1,000 00	Wm. Ratcliff.
R. McIlheny, -	10	100 00	J. T. Guthrie.
J. Seiders, -	10	100 00	do
C. Shepperd, -	20	200 00	do

Answer to the 24th Interrogatory—Continued.

J. White & Ca. -	340	3,400 00	J. T. Guthrie.
J. S. Espy, - -	2,000	20,000 00	A. J. Jones.
J. Snively, - -	94	940 00	J. T. Guthrie.
“	60	600 00	J. B. Hickcox & Co.
“	2,697	26,970 00	A. J. Jones.
D. Krause, - -	2,000	20,000 00	do
J. S. Clarke, -	2,000	20,000 00	do
A. Reed & Co. -	1,200	12,000 00	C. C. Murray & Co.
“	3,170	31,700 00	J. T. Guthrie.
A. J. Jones, - -	2,148	21,480 00	E. Guyer.
“	4,373	43,730 00	do
Wm. Cline, - -	22	220 00	Samuel McCauley.
“	30	300 00	G. W. Post.
“	8	80 00	L. O. Harne.
S. S. Williams, -	15	112 50	J. S. Pollard.
C. H. Williams,	15	112 50	do
A. Reed & Co. -	1,127	11,270 00	J. T. Guthrie.
J. Eyster, - -	10	100 00	G. Fechtig.
E. Guyer, - -	20	200 00	do
L. O. Harne, - -	8	80 00	J. S. Pollard.
G. Keal, - -	10	100 00	do
J. S. Pollard, -	3	30 00	S. Newman.
“	2	20 00	R. Wise.
“	50	500 00	M. C. Clarkson.
Edwin Bell, - -	20	150 00	J. L. Smith.
J. L. Smith, - -	5	37 50	D. Barr.
“	5	37 50	C. Negly.
“	5	37 50	J. Clay.

State of Maryland, Washington county to wit :

On this 25th day of January, A. D. 1843, personally appeared before me the subscriber, a justice of the peace, in and for Washington county, Michael C. Clarkson, cashier of the Farmers and Millers Bank of Hagerstown, and made oath on the Holy Evangelical of Almighty God, that the matter and facts as stated in this instrument of writing, are true to the best of his knowledge and belief. Sworn before

C. F. GELWICKS, J. P.

Answer to the seventeenth Interrogatory.

From \$100 to \$500,	-	-	\$ 16,723 00
From \$500 to \$2,000,	-	-	28,041 42
From \$2,000 to \$5,000,	-	-	20,404 00
From \$5,000 to \$10,000,	-	-	13,407 00
From \$10,000 and upwards,	-	-	147,010 00

THOMAS N. DAVIS appeared before the committee, under arrest by the sheriff of Washington county, on a writ, wherein Joseph T. Guthrie was plaintiff, and claimed the protection of the committee; whereupon the following letter was adopted:

GLOBE INN, Jan. 21st, 1843.

DAVID T. WILSON, Esq.

SIR,—This is to inform you that Mr. Thomas N. Davis is a witness now in attendance before a special committee of the House of Delegates, appointed in pursuance of an order adopted by the said House of Delegates on the 13th instant; and that the said committee have instructed me formally to protest against the arrest of said Davis, as a contempt offered to the House of Delegates of Maryland, which I now do.

Your obed't. servant,

J. M. BUCHANAN,

Chairman Select Committee.

The chairman, together with Davis and the officer who made the arrest, waited upon the sheriff, and upon the receipt of the above note, said Davis was discharged.

GLOBE INN, Hagerstown, Jan. 21st, 1843.

8 o'clock, P. M.

TO M. C. CLARKSON, Esq. *Cashier:*

SIR,—In reply to your letter of this evening, I would inform you, that the select committee appointed to examine into the affairs of the Farmers and Millers Bank, will meet at No. 6 Globe Inn, on Monday morning next 10 o'clock, A. M.

The committee feel every disposition to afford to the bank every facility to rebut or explain any testimony that has been given to the committee effecting the character of the institution.

Respectfully, &c.

J. M. BUCHANAN,

Chairman Select Committee.

The following letter was handed the committee:

JNO. M. BUCHANAN, Esq. *Chairman:*

DEAR SIR,—As much testimony has been produced to shew that I have been a defaulter to the Farmers and Millers Bank, in justice to myself, and to rebut such testimony, I would respectfully ask your committee to take the testimony on that matter of the following gentlemen, viz: J. S. Pollard, John Clay, M. C. Clarkson and Alexander Neill, jr. Esqrs., hoping you will allow me an opportunity to exonerate myself from such charges, being grossly false.

I remain yours respectfully,

J. T. GUTHRIE.

GLOBE INN, *Hagerstown, Jan. 23rd, 1843.*

10 o'clock, *A. M.*

Committee met agreeably to adjournment—present same as before.

J. S. Pollard, Esq., President, appeared, and desired a summons for Jos. T. Guthrie and William V. Heard, which was granted, and the summons issued accordingly.

The following letter was then addressed to the cashier:

GLOBE INN, *January 23rd, 1843.*

SIR,—The select committee of the House of Delegates being desirous to bring their labors in Hagerstown to a close on to-day, would recal the attention of the cashier or other proper officers of the Farmers and Millers Bank to the fact, that the interrogatories Nos. 14, 17 and 24, highly important as they are, no answers whatever have been received. The committee deem it only necessary to mention the above, feeling satisfied that you will at once see the propriety of promptly attending to the same.

Your obedient servant,

J. M. BUCHANAN, *Chairman.*

M. C. CLARKSON, Esq.

Cashier of the Farmers and Millers Bank.

FARMERS AND MILLERS BANK,

Monday Morning, 9 o'clock, 23rd January, 1843.

J. M. BUCHANAN, Esq. Chairman:

SIR,—I have this moment your note of this morning, and in reply say, that I received your twenty-five interrogatories on Tuesday evening at 10 o'clock, from which time up to Saturday evening when I enclosed you answers to twenty-two of the interrogatories, my whole time was occupied in preparing these answers, and then stated to you that the interrogatories Nos. 14, 17 and 24 should be answered as speedily as possible, which will require at least three days of uninterrupted application, which it is impossible for me to give, without neglecting the daily business of the bank. The answers, however, shall be attended to as early as my other duties will permit, and forward to you at Annapolis.

Very respectfully, yours, &c.

M. C. CLARKSON, *Cashier.*

GLOBE INN, *January 23rd, 1843.*

To the President of the Farmers and Millers Bank at Hagerstown:

SIR,—Having taken all the testimony you have offered before the committee, we now inform you that we are prepared to adjourn to meet in the city of Annapolis on Thursday next, unless you have further evidence to produce.

Your obedient servant,

J. M. BUCHANAN, *Chairman.*

FARMERS AND MILLERS BANK,
January 23rd, 1843.

J. M. BUCHANAN, Esq. Chairman :

SIR,—In answer to yours just received, I have to say that we have no further testimony to offer in behalf of the bank, and will take this opportunity of thanking the committee for the courtesy which has been shewn the officers of the bank, during the investigation, and the impartial manner in which the business of the committee has been conducted.

J. S. POLLARD.

The following letters from J. T. Guthrie, late cashier of the Farmers' and Millers' Bank, were handed to the Committee, by Mr. Thomas N. Davis, with a request, that they should accompany his statement, as corroboration of the same.

Hagerstown, July 19th, 1842.

MR. DAVIS :

DEAR SIR,—I received your note of yesterday, and did expect to have been in Washington several days since, but from unforeseen circumstances I could not. I will be in Washington on Friday next, perhaps on Thursday evening, and will see you immediately on my arrival. Pollard took sick next day after his return and is not able to be about. Smith has been sick for ten days, and will not be able to visit Washington; however we need not care for that, as we can arrange our own matters, besides when I see you, I can relate to you matters better than I communicate by letter. It has took all my time since my return to attend to the Bank, besides, I have been daily waiting for money—which I cannot get now until the 10th or 15th of August. I begin to fear that I can get no money from Smith worth noticing, he having used his money in a way that I am doubtful of its being returned to him, and I now think he will have to be bought out—of all this, I can tell you better when I see you.

Your friend truly,

J. T. GUTHRIE.

Hagerstown, July 25th, 1842.

MR. DAVIS :

DEAR SIR,—I wrote you on Saturday, and did not expect to write you again, until Mr. Pollard or myself would have seen you, but necessity has compelled me to do so, in consequence of the heavy demand made upon us for the last few days, from those *damned* pirates from Pennsylvania. They held up the paper they

borrowed out until a few days ago, since when they have been sending it home rapidly. I was obliged to give the bank to-day a draft to meet some money sent up from the District to Clark, the lawyer. I drew for \$110, this was sent to Gover & Purvis, with a considerable amount of Virginia money, and the bank checked on them to save our specie. Pollard will be in your city the last of the week, with his horses, and if I can leave the institution in a few days, I will come down and spend a few days with you. Smith is better, but circumstances is such that I cannot leave immediately.

You will, if you please, meet the draft and say whether you think it worth while to try to make a circulation with you. The small notes given to you all stay out, if you have paid them out, it would shew that more perhaps might be used to advantage, the money we have had to pay for stock and the money we have had to meet from those who were in possession of the concern, keeps us poor, but we will soon be through, and we shall attach their whole interest of the Pennsylvania and sell them out entirely.

Write me and say if you will be home the whole of next week.

Yours truly,

J. T. GUTHRIE.

Hagerstown, August 11th, 1841.

THOS. N. DAVIS, Esq.

DEAR SIR,—Since you left I have had a letter from the gentleman whom I expected to go on with me to Virginia, he will no doubt be here on Friday next. I will write you on Friday, and can say to you what day we will leave. Should I not be able to leave with propriety, I can entrust him to go and make the first necessary arrangements. I will want to see you before he and I should leave, and will in my next say when. Let me know what you could do or have done in your place with our paper, in the way of produce, provided our paper was put at about one per cent. more in Philadelphia than other paper of our own neighborhood.

Please write by return of mail.

Yours respectfully,

J. T. GUTHRIE.

Hagerstown, August 13th, 1841.

FRIEND DAVIS:

Murray returned this day from Washington, and I was pleased to find you had aided him, for which you will always find me ready to reciprocate. The gentleman whom I spoke of in a former letter, will be here this evening. I have a letter received from him last night, stating he would leave Philadelphia this morning. I will write you to-morrow, and should he be here this evening

according to promise, I will be glad to see you up here immediately, as we can then fully understand ourselves as regards our future business. I am determined to push the Virginia concern, and nothing, except the want of funds, shall hinder my putting her in operation. I can give you my views more fully after I see you. I would say to you, come up immediately, but as something unexpected might detain Mr. Evans, the gentleman expected, I will therefore, advise your not coming until you get my letter of to-morrow.

Yours truly,
J. T. GUTHRIE.

Hagerstown, August 14th, 1841.

FRIEND DAVIS :

Mr. Evans has arrived here and will wait my return from Philadelphia. I am going to Philadelphia to-morrow morning, and expect to be at home on Wednesday evening. He will proceed forthwith after my return, to Virginia. I am going to Philadelphia solely to see a gentleman, whom I want as cashier. I will either write you from Philadelphia, or immediately on my return. There is no mistake about our being able to make our money go current. I have a letter from a broker, of high standing in Philadelphia, who has written to me, to come and see him, he wants to put our paper at par, and wishes to make arrangements with me—this is also part of my business in Philadelphia. I could not see Freamer to-day or yesterday, but will attend at all times to your wishes, and perhaps can after little, make such arrangements as may be of advantage to both of us. The Virginia concern must go on, but until I return nothing can be done. In haste,

Yours truly,
J. T. GUTHRIE.

Hagerstown, August 23rd, 1841.

FRIEND DAVIS :

I returned from Philadelphia last evening, and received yours of the 20th instant. I want you to come immediately, if you can. I wish to talk with you personally, and understand one another for future operations. I have a first rate man of high integrity, who will, in 8 or 10 days, take my place as cashier here. He stands high, and the only objection I have to him he is a little old. Of all matters we can understand each other when you come up. I wish you to come up, as I can here shew you matters, and make you understand fully, besides, it is necessary we should see each other. I saw the gentleman whom I intend to send to Virginia, he will be here this evening ; it is necessary

first for one only to go out there to take the first step. I have a letter from the gentleman who led me into the notion to take hold of it, which I will shew you when you come up. I received it last night. I have nothing new here. Our concerns go on straight here, and I think you and I can manage matters to our mutual benefit. Should you not come up immediately, write by return of mail.

Truly, yours, &c.

J. T. GUTHRIE.

Hagerstown, September 6th, 1841.

FRIEND DAVIS:

I received your letter on Saturday. I was sorry you did not meet with better success. Your negroes must sell, sooner or later, and where a person is obliged to keep stock on hand, they are the best investment. Fleaner has purchased a fine negro man, to be delivered this evening, he is very likely, and will sell readily—there is a sale on Friday next, in this place, by the Sheriff. I have sent you the newspaper containing the advertisement. D. Dorsey, of Frederick, sent me up some of our paper for redemption, he states he has still \$400 received from Mr. Brown, of your place, and wishes me to take it up. I must do so at sight, this is part of the \$1000 handed you. You will see from this, that our paper until quoted, will not circulate when put out in large amounts. All that is now wanted is to have it quoted and it will go as well as could be wished. I want you, Davis, to join me if you possibly can, we have an opportunity to do something together, if embraced at once. I am willing to make the thing mutual with you, but if entered into, must be done at once, and to do it between us, I will on my part make a heavy sacrifice. I see from a note list of E. Wigman's, of Baltimore, that he quotes our paper 10 per cent. discount. Other banks in our section 2 and 2½—this I can arrange at once, but we must have our paper bought by Miller, of Philadelphia, (that is, Bicknell's old concern,) at about ½ per cent. higher than other banks of this section of country. This once done, we can do any thing considered judicious, to retain the interest I have, and to use the advantages I possess, I must at one act, and have our paper put up; this can be done without a large amount, as we are easy at home, and no powers that now exist can press us.

The question then Davis, is, what can you and I do? I say as much and more than any other persons with the same means—but to do what must be done requires a little means temporarily, that is merely to make exchanges, and be so situated as not to return them at once or at least for a few days. I am ready to join you in this and other matters for mutual benefit, and to make the necessary arrangements, I will submit to a sacrifice, as the loss can be easily overcome, as it need not be repeated with the ad-

vantages under these circumstances, leave nothing unturned, and use me in any way to accomplish our matters, at the same time any of our notes you have on hand, bring them up with you. I want to take in every dollar of our old issue.

I have resigned the cashiership of the institution, and we have elected in my place, General Eyster, an elderly gentleman of high character. Yet my interest and influence will not by this act, be any the less. Now, Davis, say by return of mail what you can and will do, and if my aid can be made of advantage, say so. I urge this, as some things must be done before I retire from my station, that cannot be done afterwards, and until my arrangements are complete, I will act for a few days yet. I want to see you forthwith, and let us understand each other fully, and then go ahead—for all the money we can raise together, we will take the amount of our new issue and will do with it as we think best—this will put up our notes in Philadelphia and Baltimore, after which, as we will discount none here for some months, we will be able to raise our circulation and credit. Can you make arrangements to come up immediately.

Yours most truly,

J. T. GUTHRIE.

Hagerstown, October 9th, 1841.

FRIEND DAVIS :

I have received your letters. I have been absent until a couple of days ago, and have not been able to write you in consequence of a press of business. I want to see you on important business. Should I not be in Washington by Monday night, I want you, without fail, to come up to Hagerstown on Tuesday. I don't want you to pay your acceptance of \$1000, but if you ever raised a dollar in your life, do it now. I want to make arrangements to go to Baltimore, and want to exchange every dollar I can—our success depends on one single move, that is, Davis, for you and I to exchange about 1000 or 1500 dollars, and then I will go to Baltimore and have our paper redeemed there at 2 or 3 per cent., and will take an interest in an exchange office myself, so that we can manage our matters without either of us appearing here at all. I have not time in this letter to give you my views, and will only say, let the acceptance go back and hold on to your money, and bring all you can up with you on Tuesday, provided, I am not with you on Monday evening. I will go with you to Baltimore, on Wednesday or Tuesday afternoon—if you bring with you \$1000 we can get \$2500, and if our arrangements work, we can soon do what we please with good and prudent management. Don't fail to come up and bring with you every dollar you can to exchange. I want to establish myself in Baltimore to sell the iron from our furnace, and for other matters of interest to us both if possible, but Davis, the next three days is

the rub, and you must do all you can, and if you and I can make exchanges for the next 4 or 5 days, we can after that, do what will be of interest to ourselves. We can have the loan of several thousand dollars for moneyed operations—those matters are of course confidential between us.

Your friend truly, in haste,

J. T. GUTHRIE.

Hagerstown, October 14th, 1841.

FRIEND DAVIS:

I am obliged to go to Philadelphia this evening—if I can get in the mail I shall go by way of Baltimore, but if not, must go through Pennsylvania. I am sorry you could not have come up, as I wanted you to go through Lancaster and Philadelphia with me or from Lancaster to Baltimore. I had a matter in view in Lancaster, but shall miss it now. I have not the means myself to reach it. I could have got \$2500 by exchanging \$1000, but I have been so strapped that I could not raise it. I have never got one cent out of your draft, and have had to redeem the whole of the \$1000 given you—this has helped to use me up, and my business is such, I cannot come to see you for some days, therefore, I cant now appoint a day. I say Davis, come up or send up and exchange with the Bank here, for her new issue all you can—it will lead to a good business for you and I both. I cant as yet ask the new cashier to give me money to take away to exchange; it would shew my weakness, but it would have the right effect to exchange with him for a few times, after which they would be glad to have me use their funds for exchanges—the reason I did not want you to pay your acceptance was to save your funds, to make a few exchanges, to open up our credit. Now, Davis, you speak of our matters not working right—I say do something for a little time and do it quickly—and we can do more than expected, but if I had only \$1000 for a few days I could command 5 or 6 almost immediately, but this will depend on you. The new cashier and president have the new notes filled, and I want to exchange with them at first, or have you do it. Now Davis, what will you do or what can you do—*act promptly.*

Truly your friend,

J. T. GUTHRIE.

P. S. Murray has not been here since he was in Washington. He met me in Philadelphia and returned to Harrisburg—he sold all his interest here to a very wealthy and respectable gentleman of Dauphin county, and he is now engaged at the iron business, making pig metal, &c.

Yours,

J. T. G.

Baltimore, Friday, 15th October.

FRIEND DAVIS :

I am in this city and regret very much I cannot go over to Washington. Write me to Hagerstown, and if possible, I will go to Washington before my return. I am sorry you could not have come up to Hagerstown, as in consequence of your not doing so, a very important arrangement has fallen through, as it was necessary for me to have had a little funds, and also to have a friend to do the business with it. I will, however, Davis, try and see you in Washington, and will explain to you there—in haste,

Your friend,

J. T. GUTHRIE.

Hagerstown, October 22nd, 1841.

FRIEND DAVIS :

I only arrived here last evening. I could not possibly take the time on my return, to see you. Now Davis, to be plain, I have no time to loose; if I dont do something to fulfil my promises to the bank, in the way of making exchanges at once, my credit will be done with them, and my plans laid out, for our operations will be entirely frustrated—in the first place the bank has had to redeem the whole of the \$1000 I gave you, & I have told them I would make exchanges which would make it up. It was on this account I wrote you not to pay that acceptance, but to bring the money with you here, and make exchanges for part of the amount which would have made and make all things right until I could open an office in Baltimore, after which we might get a loan of several thousand, by agreeing to protect it ourselves which, I could do by paying it out from day to day, and receiving it at a discount, we could go on in this way until we could command any amonnt, not only from the concern spoken of, but from other banks in our neighborhood, besides we could do other business of advantage to us both. I want you without fail, Davis, to come up by return of mail, and if you cant bring \$1000 bring \$500, and if you cannot do that, bring less to exchange: this will keep the good feeling, and I can here shew you what we must do, which if done, we can go on at once and meet our expectations. Now Davis, I will work with you in good faith and believe you will do the same: but act quick, and come up, as I have neither time nor room on a sheet of paper to give you my views, and will not do so at this time, hoping you will be here by return of mail. Your acceptance I passed to Judge Blythe, of Philadelphia, and I do not care for its payment immediately, but would rather that we would do something for our mutual interest with the money for obtaining a much greater advantage, which if it is not done at once, is forever gone. I will write to the bank after seeing you—dont fail, Davis, to come up at least, as I cannot go to see you

until you come here, after which we will understand exactly what course to pursue. Depend on me being your friend and be assured of my confidence in you, and if we work together we must rely on each other also. If we manage right we can make a good winter's work, but you must do as I direct you here and not write me, but come at sight and see me. I have been from home one week, and the bank has redeemed only \$105 out of her issues in the time. I must go to Baltimore and remain there, but cant do so until you and I understand each other. When you come, stop at McSherry's. You speak in your letter of the 16th, of persons having an eye on you; of this we care not, we ask no favors of any, and are doing nothing we are ashamed of.

Truly your friend,

J. T. GUTHRIE.

HAGERSTOWN, *November 23rd, 1842.*

T. N. DAVIS, ESQ.

DEAR SIR,—We are all moving along quietly in this place; business, in the way of exchange, has been rather more brisk than usual this week. I mean in the redemption of our own paper, caused no doubt, by the numerous collections of people in town attending court, which commenced on Monday last.

I told Mr. Williams, when he left here, that I would be in your city on Saturday next, but I now find that I shall not be able to leave here before Sunday next, so that I shall not be in Washington before Monday morning, at which time you may look for me. I should like to see you when I arrive, and I shall not be in the city probably more than one day, as it is very difficult for me to leave at this time. I wish you would let Mr. Williams know that I cannot be there before Monday.

Yours truly,

J. S. POLLARD.

MEMORIAL

OF O. H. WILLIAMS, G. R. BEALL AND G. KEALHOFFER, IN CONNECTION WITH THE REPORT OF THE COMMITTEE APPOINTED TO EXAMINE THE FARMERS AND MILLERS BANK OF HAGERSTOWN.

To the Honorable

The General Assembly of Maryland :

The undersigned, commissioners appointed by the Treasurer of the Western Shore of Maryland, on the 18th August 1840, to ascertain whether the sum of \$75,000 in gold and silver coin, was then in possession of the President and Directors of the Farmers and Millers Bank of Hagerstown, as part of its capital stock, respectfully represent, that they have read the report of the select committee appointed by the House of Delegates, to examine into the condition of said bank, and were surprised at the conclusion to which they have arrived, in relation to our conduct in the matter, and charging us with participation in the fraud, alleged to have been committed by the agents of the bank. In charging us also, with "deceiving the Treasurer, as to the true condition of the bank, by an unfounded report." "That one of the commissioners, although a public officer of the State, aided in the fraud which was practiced to get the bank into operation, and express their opinion that his conduct, and that of his associates in the transaction, demands the severest condemnation." "That we have no excuse or palliation for our participation in the fraud." "That the due execution of the laws, as well as public morals, require that we should not go unpunished." That "the honorable post which one of the commissioners holds in an office of the State, pre-supposes *him* to have been sufficiently intelligent to have faithfully performed *his* duty in the execution of the commission, and the security of the public demands, that an *example* should be made of him and his associates." And the committee conclude that part of the report, by submitting the matter to the House of Delegates, to "take such action as the public interest may require."

Whatever we may suppose to have been the motives or feelings towards us, that actuated a portion of the committee, in making

charges against us of so serious a character, or whatever we may feel on the subject, respect for your honorable body, prevents our making any comment which might be deemed disrespectful; but at the same time, we beg leave to protest against that part of the report of the committee, which implicates us, as being *personal in its character, unjust, and made under circumstances that gave us no opportunity for explanation, and uncalled for in the execution of the duty assigned them by the House of Delegates*, "to examine into the condition of the Farmers and Millers Bank of Hagers-town."

We further represent that, as the report of the committee has been spread on the Journal of the House, and published to the world, we owe it to the public as well as to ourselves, to address you on the subject, by stating all the facts in the case, connected with the duties required of us as commissioners, that you may judge correctly, how far we deserve the censure cast on us in the report of the committee. They are as follows :

Two certificates of special deposits of specie, then in the possession of the Farmers and Millers Bank, amounting to about \$60,000, were placed in our hands, one of the certificates was signed by the Cashier of the Commercial Bank of Millington, Md., and the other by the Cashier of the Erie County Bank, of Buffalo, New York. The Millington bank at that time, was in as good credit as any of the county banks in the State, their paper being at a discount in Philadelphia, of only one half per cent., and the paper of the New York bank, from two and a half to four per cent. *premium*. See Bicknell's Reporter of that year, the January and October numbers of which we have now before us.

We will suppose, for example, that a certificate of special deposit of specie of the Bank of Baltimore, the Farmers Bank of Maryland, or the Frederick County Bank, had been presented to us, instead of the Millington or the New York bank, would we not have acted correctly in reporting to the Treasurer, that so much specie was in the actual possession of the bank?

What possible motive, we ask, could we have had in making a false report to the Treasurer? Neither of us have ever had, by loan, discount or otherwise, an accommodation in the the Farmers and Millers Bank, to the amount of one cent, during the whole of the operations of the bank, as the books of the institution, as well as the accompanying certificate of the present cashier will shew.

We further state that we consulted a distinguished member of the bar, at the time we made our report to the Treasurer, who considered the evidence before us, was sufficient to justify us in giving the certificate that we did; and there is now on file in the bank, and recently in the hands of the committee, the opinion of several eminent legal gentlemen subsequently given, which fully sustains the propriety of the course that we pursued, and which course we believe, from information received, has not been unusual in the establishment of other banks.

From the above representation of facts, we ask and confidently expect, that you will cause to be placed on your Journals, this our solemn protest against that portion of committee's report, which bears upon our characters and conduct as agents of the trust confided to us in relation to the establishment of the Farmers and Millers Bank of Hagerstown.

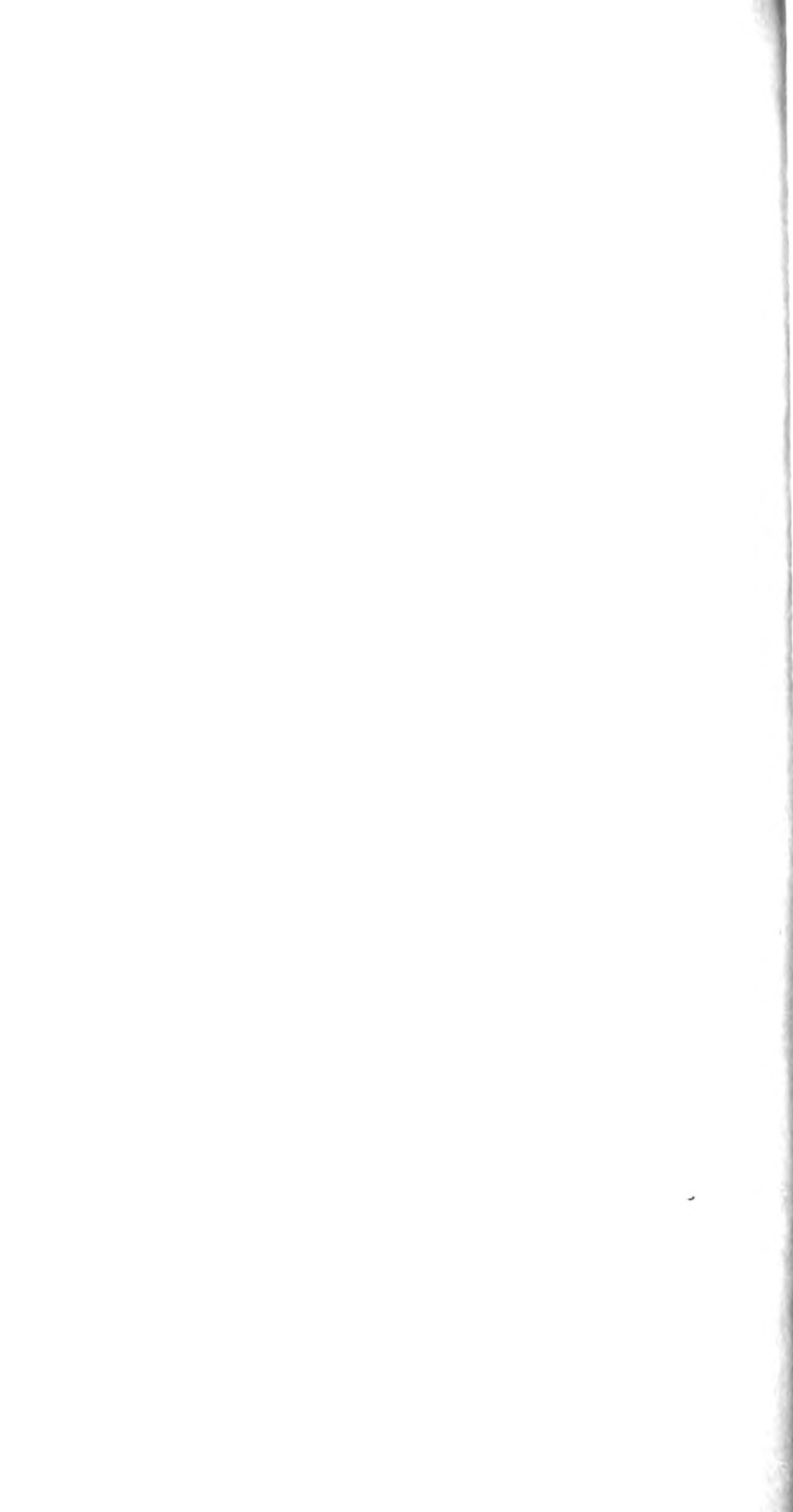
O. H. WILLIAMS,
G. R. BEALL,
GEO. KEALHOFER.

FARMERS AND MILLERS BANK OF HAGERSTOWN, MD.

I hereby certify, that there is nothing on the books of the bank, to shew that either Gen. O. H. Williams, G. Ross Beall, or Geo. Kealhofer, ever received any accommodation from the bank, either by loan or otherwise.

M. C. CLARKSON, *Cashier.*

Hagerstown, February 8th, 1843.





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